

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-11595



Astec Industries, Inc.

(Exact name of registrant as specified in its charter)

Tennessee

(State or other jurisdiction of incorporation or organization)

62-0873631

(I.R.S. Employer Identification No.)

1725 Shepherd Road

Chattanooga, TN

(Address of principal executive offices)

37421

(Zip Code)

(423) 899-5898

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ASTE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-accelerated Filer

Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2026, there were 22,992,630 shares of Common Stock outstanding.

ASTEC INDUSTRIES, INC.
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For the Quarter Ended March 31, 2026

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

ASTEC INDUSTRIES, INC.
Consolidated Balance Sheets
(In millions, except share and per share data, unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 75.0	\$ 72.0
Investments	1.9	2.1
Trade receivables, contract assets and other receivables, net of allowance for credit losses of \$3.0 and \$3.7, respectively	215.6	218.7
Inventories	469.8	466.0
Prepaid and refundable income taxes	14.9	15.0
Prepaid expenses and other assets	42.3	42.8
Total current assets	819.5	816.6
Property and equipment, net of accumulated depreciation of \$290.3 and \$285.0, respectively	238.5	222.3
Investments	22.6	21.1
Goodwill	134.9	111.8
Intangible assets, net of accumulated amortization of \$77.6 and \$70.1, respectively	147.2	124.5
Deferred income tax assets	22.3	25.3
Other long-term assets	43.9	45.6
Total assets	\$ 1,428.9	\$ 1,367.2
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 16.2	\$ 16.2
Short-term debt	11.2	12.1
Accounts payable	108.2	93.5
Customer deposits	96.1	83.7
Accrued product warranty	17.3	19.3
Accrued employee related liabilities	48.6	51.2
Other current liabilities	52.0	52.0
Total current liabilities	349.6	328.0
Long-term debt	365.5	319.6
Deferred income tax liabilities	5.1	6.7
Other long-term liabilities	30.6	31.3
Total liabilities	750.8	685.6
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Preferred stock – authorized 2,000,000 shares of \$1.00 par value; none issued	—	—
Common stock – authorized 40,000,000 shares of \$0.20 par value; issued and outstanding – 22,974,770 as of March 31, 2026 and 22,877,530 as of December 31, 2025	4.6	4.6
Additional paid-in capital	149.7	149.6
Accumulated other comprehensive loss	(42.5)	(40.6)
Company stock held by deferred compensation programs, at cost	(0.2)	(0.2)
Retained earnings	566.5	568.3
Shareholders' equity	678.1	681.7
Noncontrolling interest	—	(0.1)
Total equity	678.1	681.6
Total liabilities and equity	\$ 1,428.9	\$ 1,367.2

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ASTEC INDUSTRIES, INC.
Consolidated Statements of Operations
(In millions, except share and per share data, unaudited)

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 396.3	\$ 329.4
Cost of sales	297.2	237.0
Gross profit	99.1	92.4
Selling, general and administrative expenses	90.2	71.9
Other operating gains, net	(0.1)	—
Income from operations	9.0	20.5
Other expenses, net:		
Interest expense	(7.4)	(2.0)
Interest income	0.8	0.6
Other income, net	0.4	0.6
Income before income taxes	2.8	19.7
Income tax provision	1.5	5.4
Net income	1.3	14.3
Net income attributable to noncontrolling interest	—	—
Net income attributable to controlling interest	\$ 1.3	\$ 14.3
Per share data:		
Earnings per common share - Basic	\$ 0.06	\$ 0.63
Earnings per common share - Diluted	\$ 0.06	\$ 0.62
Weighted average shares outstanding - Basic	22,938,887	22,833,292
Weighted average shares outstanding - Diluted	23,250,643	22,976,526

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ASTEC INDUSTRIES, INC.
Consolidated Statements of Comprehensive (Loss) Income
(In millions, unaudited)

	Three Months Ended March 31,			
	2026		2025	
Net income	\$	1.3	\$	14.3
Other comprehensive (loss) income:				
Foreign currency translation adjustments		(1.8)		3.1
Other comprehensive (loss) income		(1.8)		3.1
Comprehensive (loss) income		(0.5)		17.4
Comprehensive income attributable to noncontrolling interest		(0.1)		(0.1)
Comprehensive (loss) income attributable to controlling interest	\$	(0.6)	\$	17.3

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ASTEC INDUSTRIES, INC.
Consolidated Statements of Cash Flows
(In millions, unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 1.3	\$ 14.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14.2	6.4
Amortization of acquisition-related inventory fair value step-up	1.4	—
Provision for credit losses	(0.5)	(0.1)
Provision for warranties	3.0	6.2
Share-based compensation	2.6	1.7
Deferred tax benefit	(0.4)	(1.0)
Gain on sale of property and equipment, net	(0.1)	—
Amortization of debt issuance costs	0.5	0.1
Change in operating assets and liabilities:		
(Purchase) sale of trading securities, net	(1.1)	0.2
Receivables and other contract assets	5.1	(3.9)
Inventories	5.6	(10.9)
Prepaid expenses	1.8	0.8
Other assets	0.8	0.7
Accounts payable	13.3	12.6
Accrued employee related liabilities	(3.0)	—
Other accrued liabilities	(2.4)	(2.7)
Accrued product warranty	(5.2)	(4.6)
Customer deposits	2.3	(5.1)
Income taxes payable/prepaid	1.5	5.8
Net cash provided by operating activities	<u>40.7</u>	<u>20.5</u>
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(67.9)	—
Expenditures for property and equipment	(8.1)	(3.9)
Proceeds from sale of property and equipment	0.1	—
Proceeds from insurance	0.1	—
Purchase of investments	(0.6)	(0.4)
Sale of investments	0.2	0.1
Net cash used in investing activities	<u>(76.2)</u>	<u>(4.2)</u>

(Continued)

ASTEC INDUSTRIES, INC.
Consolidated Statements of Cash Flows (Continued)
(In millions, unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash flows from financing activities:		
Payment of dividends	(3.0)	(2.9)
Proceeds from borrowings on credit facilities and bank loans	117.8	95.5
Repayments of borrowings on credit facilities and bank loans	(73.2)	(106.9)
Withholding tax paid upon vesting of share-based compensation awards	(2.6)	(0.7)
Net cash provided by (used in) financing activities	39.0	(15.0)
Effect of exchange rates on cash	(0.5)	0.5
Increase in cash, cash equivalents and restricted cash	3.0	1.8
Cash, cash equivalents and restricted cash, beginning of period	72.0	90.8
Cash, cash equivalents and restricted cash, end of period	<u>\$ 75.0</u>	<u>\$ 92.6</u>
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 6.2</u>	<u>\$ 1.8</u>
Income taxes paid, net	<u>\$ 0.6</u>	<u>\$ 0.9</u>
Supplemental disclosures of non-cash items:		
Non-cash investing activities:		
Capital expenditures in accounts payable	<u>\$ 0.1</u>	<u>\$ 0.4</u>
Non-cash financing activities:		
Additions to right-of-use assets and lease liabilities	<u>\$ 0.4</u>	<u>\$ 0.4</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ASTEC INDUSTRIES, INC.
Consolidated Statements of Equity
(In millions except share and per share data, unaudited)

	Common Stock	Common Stock Amount	Additional Paid-in- Capital	Accumulated Other Comprehensive Loss	Company Shares Held by DCP	Retained Earnings	Noncontrolling Interest	Total Equity
Balance, December 31, 2025	22,877,530	\$ 4.6	\$ 149.6	\$ (40.6)	\$ (0.2)	\$ 568.3	\$ (0.1)	\$ 681.6
Net income	—	—	—	—	—	1.3	—	1.3
Other comprehensive (loss) income	—	—	—	(1.9)	—	—	0.1	(1.8)
Dividends (\$0.13 per share)	—	—	0.1	—	—	(3.1)	—	(3.0)
Share-based compensation	—	—	2.6	—	—	—	—	2.6
Issuance of common stock under incentive plan	97,240	—	—	—	—	—	—	—
Withholding tax paid upon equity award vesting	—	—	(2.6)	—	—	—	—	(2.6)
Balance, March 31, 2026	22,974,770	\$ 4.6	\$ 149.7	\$ (42.5)	\$ (0.2)	\$ 566.5	\$ —	\$ 678.1
	Common Stock	Common Stock Amount	Additional Paid-in- Capital	Accumulated Other Comprehensive Loss	Company Shares Held by DCP	Retained Earnings	Noncontrolling Interest	Total Equity
Balance, December 31, 2024	22,803,976	\$ 4.6	\$ 142.9	\$ (51.1)	\$ (0.3)	\$ 541.7	\$ (0.2)	\$ 637.6
Net income	—	—	—	—	—	14.3	—	14.3
Other comprehensive income	—	—	—	3.0	—	—	0.1	3.1
Dividends (\$0.13 per share)	—	—	0.1	—	—	(3.0)	—	(2.9)
Share-based compensation	—	—	1.7	—	—	—	—	1.7
Issuance of common stock under incentive plan	36,111	—	—	—	—	—	—	—
Withholding tax paid upon equity award vesting	—	—	(0.7)	—	—	—	—	(0.7)
Balance, March 31, 2025	22,840,087	\$ 4.6	\$ 144.0	\$ (48.1)	\$ (0.3)	\$ 553.0	\$ (0.1)	\$ 653.1

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ASTEC INDUSTRIES, INC.
Notes to Unaudited Consolidated Financial Statements

Note 1. Basis of Presentation and Significant Accounting Policies**Description of Business**

Astec Industries, Inc. ("Astec" or the "Company") is a Tennessee corporation which was incorporated in 1972. The Company designs, engineers, manufactures, markets and services equipment and components used primarily in asphalt and concrete road building and related construction activities, as well as other products discussed below. The Company's products are used in each phase of road building, from quarrying and crushing the aggregate to application of the road surface. The Company's product portfolio includes both asphalt and concrete equipment. The Company also manufactures certain equipment and components unrelated to road construction, including equipment for the mining, quarrying, construction, demolition, land clearing, energy, hydro-electric and recycling industries and port and rail yard operators; industrial heat transfer equipment; commercial whole-tree pulpwood chippers; horizontal grinders; blower trucks; commercial and industrial burners; and combustion control systems.

The Company operates in two reportable segments - Infrastructure Solutions and Materials Solutions. The Company's two reportable business segments comprise sites based upon the nature of the products produced or services provided, the type of customer for the products, the similarity of economic characteristics, the manner in which management reviews results and the nature of the production process, among other considerations.

The Corporate and Other category consists primarily of the parent company and Astec Insurance Company ("Astec Insurance" or the "captive"), a captive insurance company, which do not meet the requirements as an operating segment or inclusion in one of the other reporting segments.

Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Astec and its subsidiaries and have been prepared by the Company, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The Company prepares its financial statements in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the SEC rules and regulations governing interim financial statements. However, the Company believes that the disclosures made in the unaudited consolidated financial statements and related notes are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's [Annual Report on Form 10-K](#) for the year ended December 31, 2025. All intercompany balances and transactions between the Company and its affiliates have been eliminated in consolidation.

Noncontrolling interest in the Company's consolidated financial statements represents the 7% interest in a consolidated subsidiary which is not owned by the Company. Since the Company controls this subsidiary, the subsidiary's financial statements are consolidated with those of the Company, and the noncontrolling owner's 7% share of the subsidiary's net assets and results of operations is deducted and reported as "Noncontrolling interest" in the Consolidated Balance Sheets and as "Net income attributable to noncontrolling interest" in the Consolidated Statements of Operations. The Company executed an agreement in February 2022 with the noncontrolling interest holder to acquire their outstanding interest in full for R\$10.0M (approximately \$2.0 million, subject to the effect of exchange rates). Completion of the transaction is subject to resolution of certain disputes between the parties.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Significant items subject to such estimates and assumptions include excess and obsolete inventory, inventory net realizable value, product warranty obligations, capitalized implementation costs, goodwill and other intangible assets impairment and the measurement of income tax assets and liabilities. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. On an ongoing basis, the Company evaluates these assumptions, judgments and estimates. Actual results could differ from those estimates.

In the opinion of management, the consolidated financial statements contain all adjustments necessary for a fair statement of the results of operations and comprehensive (loss) income for the three months ended March 31, 2026 and 2025, the financial position as of March 31, 2026 and December 31, 2025 and the cash flows for the three months ended March 31, 2026 and 2025, and, except as otherwise discussed herein, such adjustments consist only of those of a normal recurring nature. The interim results are not necessarily indicative of results that may be achieved in a full reporting year.

All dollar amounts, except per share amounts, are in millions of dollars unless otherwise indicated.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires entities to disclose specific categories in the income tax rate reconciliation and provide additional information for reconciling items that meet a specified quantitative threshold. The new standard requires disclosure of the amount of income taxes paid disaggregated by federal, state and foreign taxes and by jurisdiction for exceeding a specified quantitative threshold. Additionally, income or loss from continuing operations before income tax will be required to be disaggregated between domestic and foreign classifications, and income tax expense will be required to be disaggregated between federal, state and foreign classifications. The new standard is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with retrospective application permitted. The Company adopted this guidance prospectively beginning with the Form 10-K filing for the year ended December 31, 2025.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which requires entities to disclose specific types of expenses included in the expense captions presented on the face of the income statement, among other disclosures. The new guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027 on a prospective basis, with retrospective application permitted. The Company is currently evaluating the impact this ASU will have on its financial statement disclosures, but this standard will not impact the Company's results of operations, financial position or cash flows.

Recent accounting guidance not discussed above is not applicable, did not have or is not expected to have a material impact on the Company.

Note 2. Acquisitions**CWMF Acquisition**

On January 1, 2026, the Company completed the acquisition of CWMF, LLC ("CWMF"), a manufacturer of portable and stationary asphalt plant equipment and parts. The total cash consideration paid by the Company to the sellers of CWMF was \$69.9 million, and was funded by a combination of incremental borrowings on the Company's credit facilities and cash on hand. The acquisition increases production capacity in the Company's Infrastructure Solutions segment. Pro forma financial information is not included since the acquisition is not significant.

Acquisition-related costs of \$0.4 million were expensed as incurred during the three months ended March 31, 2026. These costs are recorded in "Selling, general and administrative expenses" in the Consolidated Statements of Operations. Additionally, \$0.4 million related to the amortization of acquisition-related inventory fair-value step-up was recorded in "Cost of sales" during the three months ended March 31, 2026.

The following table summarizes the preliminary purchase price allocation for the acquisition, which is subject to change as the Company continues to evaluate the fair value of the assets acquired and liabilities assumed:

(in millions)	Amount
Payment to equity holders	\$ 68.1
Transaction expenses paid on behalf of the seller	1.8
Aggregate purchase consideration	<u>69.9</u>
Identifiable assets acquired:	
Cash, cash equivalents and restricted cash	2.1
Inventories	11.9
Other current assets	1.1
Property and equipment, net	14.9
Intangible assets, net	31.1
Total assets acquired	<u>61.1</u>
Total liabilities assumed	12.9
Total identifiable net assets	<u>48.2</u>
Goodwill	<u>\$ 21.7</u>

The preliminary purchase price allocation presented above was based on management's estimate of the fair values of the acquired assets and assumed liabilities using valuation techniques including the income, market and cost approaches. The goodwill is attributable to the differences between the estimated fair value of the consideration transferred and the estimated fair value of the assets acquired, and liabilities assumed. The goodwill is expected to be deductible for tax purposes.

The following table summarizes the identifiable definite-lived intangible assets acquired. All intangible assets acquired in the CWMF acquisition are subject to amortization:

(in millions except useful lives)	Fair Value	Estimated Useful Life (in years)
Customer relationships	\$ 25.9	7
Trade names	4.5	10
Other	0.7	5
Total identifiable definite-lived intangible assets acquired	<u>\$ 31.1</u>	

TerraSource Acquisition

On July 1, 2025 (the "Closing Date"), the Company completed the acquisition of TerraSource Holdings, LLC ("TerraSource"), a market-leading manufacturer of material processing equipment and related aftermarket parts serving complementary crushing, screening and separation applications. Pursuant to the acquisition, the Company acquired 100% of the equity interests of TerraSource. The total cash consideration paid for by the Company to the sellers of TerraSource was \$252.6 million. The acquisition provides the Company with access to adjacent markets in materials processing equipment and related aftermarket parts. The acquired TerraSource business is included in the Company's Materials Solutions reportable segment.

The Company financed the purchase price and related fees and expenses using net proceeds from a credit agreement entered into with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto from time to time.

Total acquisition-related costs of \$6.7 million were expensed as incurred related to the acquisition, of which \$0.7 million were incurred during the three months ended March 31, 2025. These costs are recorded in "Selling, general and administrative expenses" in the Consolidated Statements of Operations. Additionally, \$1.0 million related to the amortization of acquisition-related inventory fair-value step-up was recorded in "Cost of sales" during the three months ended March 31, 2026.

In the first quarter of 2026, the Company recorded a \$2.1 million adjustment related to a refined valuation of deferred tax liabilities, which was offset in goodwill.

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The following table summarizes the preliminary purchase price allocation for the acquisition, which is subject to change as the Company continues to evaluate the fair value of the assets acquired and liabilities assumed:

(in millions)	Amount
Payment to equity holders	\$ 176.6
Payment of TerraSource's outstanding debt	71.9
Transaction expenses paid on behalf of the seller	4.1
Aggregate purchase consideration	<u>252.6</u>
Identifiable assets acquired:	
Cash, cash equivalents and restricted cash	3.9
Trade receivables, contract assets and other receivables, net	21.4
Inventories	58.4
Other current assets	10.8
Property and equipment, net	20.4
Intangible assets, net	127.2
Other long-term assets	6.3
Total assets acquired	<u>248.4</u>
Identifiable liabilities assumed:	
Current liabilities	47.2
Long-term liabilities	37.1
Total liabilities assumed	<u>84.3</u>
Total identifiable net assets	<u>164.1</u>
Goodwill	<u>\$ 88.5</u>

The preliminary purchase price allocation presented above was based on management's estimate of the fair values of the acquired assets and assumed liabilities using valuation techniques including the income, market and cost approaches. The goodwill is attributable to the differences between the estimated fair value of the consideration transferred and the estimated fair value of the assets acquired, and liabilities assumed. Goodwill of \$17.4 million was deductible for tax purposes.

The following table summarizes the identifiable definite-lived intangible assets acquired. All intangible assets acquired in the TerraSource acquisition are subject to amortization:

(in millions except useful lives)	Fair Value	Estimated Useful Life (in years)
Trade names	\$ 7.8	10
Patents	5.0	10
Customer relationships	110.0	10
Other	4.4	3 - 5
Total identifiable definite-lived intangible assets acquired	<u>\$ 127.2</u>	

Pro Forma Financial Information

The following unaudited pro forma summary information reflects the consolidated results of the Company's operations as if the acquisition had been completed on January 1, 2024. The information presented below is provided for illustrative purposes only and does not purport to represent what the Company's consolidated results of operations would have been had the acquisition actually occurred as of January 1, 2024.

(in millions)	Three Months Ended March 31, 2025
Revenue	\$ 362.8
Net income	12.9

These pro forma amounts have been calculated after applying the Company's accounting policies and adjusting to illustrate the impact of amortization and depreciation expense related to acquired intangible and tangible assets, respectively, incremental interest costs on the borrowings used to fund the acquisition, amortization of an increase in the fair value of inventory acquired, transaction costs and the related tax impact associated with these adjustments.

Note 3. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or net realizable value, which requires the Company to make specific estimates, assumptions and judgments in determining the amount, if any, of reductions in the valuation of inventories to their net realizable values.

Inventories consist of the following:

(in millions)	March 31, 2026	December 31, 2025
Raw materials and parts	\$ 310.2	\$ 309.6
Work-in-process	85.0	70.6
Finished goods	67.7	76.6
Used equipment	6.9	9.2
Total	\$ 469.8	\$ 466.0

Note 4. Fair Value Measurements

The Company has various financial instruments that must be measured at fair value on a recurring basis, including marketable debt and equity securities held by Astec Insurance and marketable equity securities held in the Company's deferred compensation programs. The Company's deferred compensation programs ("DCP") include a non-qualified Supplemental Executive Retirement Plan ("SERP") and a separate non-qualified Deferred Compensation Plan. Although the DCP investments are allocated to individual participants, and investment decisions are made solely by those participants, they are non-qualified plans. Consequently, the Company owns the assets and the related offsetting liability for disbursement until such time as a participant makes a qualifying withdrawal. The DCP assets and related offsetting liabilities are recorded in non-current "Investments" and "Other long-term liabilities," respectively, in the Consolidated Balance Sheets. The Company's subsidiaries also occasionally enter into foreign currency exchange contracts to mitigate exposure to fluctuations in currency exchange rates.

The carrying amount of cash, cash equivalents and restricted cash, trade receivables and contract assets, other receivables, accounts payable, short-term debt and long-term debt approximates their fair value because of their short-term nature and/or interest rates associated with the instruments. Investments are carried at their fair value based on quoted market prices for identical or similar assets or, where no quoted prices exist, other observable inputs for the asset. The fair values of foreign currency exchange contracts are based on quotations from various banks for similar instruments using models with market-based inputs.

Financial assets and liabilities are categorized based on the level of judgment associated with the inputs used to measure their fair value. The inputs used to measure the fair value are identified in the following hierarchy:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Unadjusted quoted prices in active markets for similar assets or liabilities; or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

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As indicated in the tables below, the Company has determined that all of its financial assets and liabilities as of March 31, 2026 and December 31, 2025 are Level 1 and Level 2 in the fair value hierarchy defined above:

(in millions)	March 31, 2026		
	Level 1	Level 2	Total
Financial assets:			
Trading equity securities:			
Deferred compensation programs' mutual funds	\$ 6.2	\$ —	\$ 6.2
Preferred stocks	0.3	—	0.3
Equity funds	0.6	—	0.6
Trading debt securities:			
Corporate bonds	3.5	—	3.5
Agency bonds	—	0.9	0.9
U.S. government securities	3.7	—	3.7
Agency collateralized mortgage obligations	—	8.4	8.4
Exchange traded funds	0.4	—	0.4
Mortgage backed securities	—	0.3	0.3
Other	—	0.2	0.2
Total financial assets	\$ 14.7	\$ 9.8	\$ 24.5
Financial liabilities:			
Deferred compensation programs' liabilities	\$ —	\$ 7.3	\$ 7.3
Total financial liabilities	\$ —	\$ 7.3	\$ 7.3

(in millions)	December 31, 2025		
	Level 1	Level 2	Total
Financial assets:			
Trading equity securities:			
Deferred compensation programs' mutual funds	\$ 5.9	\$ —	\$ 5.9
Preferred stocks	0.3	—	0.3
Equity funds	0.6	—	0.6
Trading debt securities:			
Corporate bonds	3.6	—	3.6
Agency bonds	—	0.9	0.9
U.S. government securities	2.4	—	2.4
Agency collateralized mortgage obligations	—	8.5	8.5
Exchange traded funds	0.4	—	0.4
Mortgage backed securities	—	0.3	0.3
Other	—	0.3	0.3
Total financial assets	\$ 13.2	\$ 10.0	\$ 23.2
Financial liabilities:			
Deferred compensation programs' liabilities	\$ —	\$ 6.7	\$ 6.7
Total financial liabilities	\$ —	\$ 6.7	\$ 6.7

Note 5. Product Warranty Reserves

The Company warrants its products against manufacturing defects and performance to specified standards. The warranty period and performance standards vary by market and uses of its products, but generally range from three months to two years or up to a specified number of hours of operation. The Company estimates the costs that may be incurred under its warranties and

records a liability at the time product sales are recorded. The product warranty liability is primarily based on historical claim rates, nature of claims and the associated costs.

Changes in the Company's product warranty liability for the three month periods ended March 31, 2026 and 2025 are as follows:

(in millions)	Three Months Ended March 31,			
	2026		2025	
Reserve balance, beginning of the period	\$	19.3	\$	16.1
Warranty liabilities accrued		3.0		6.2
Warranty liabilities settled		(5.2)		(4.6)
Other		0.2		0.1
Reserve balance, end of the period	\$	17.3	\$	17.8

Note 6. Accrued Loss Reserves

The Company accrues reserves for losses related to known workers' compensation and general liability claims that have been incurred but not yet paid or are estimated to have been incurred but not yet reported to the Company. The undiscounted reserves are actuarially determined based on the Company's evaluation of the type and severity of individual claims and historical information, primarily its own claims experience, along with assumptions about future events. Changes in assumptions, as well as changes in actual experience, could cause these estimates to change in the future.

Liabilities related to the Company's accrued loss reserves consist of the following:

(in millions)	March 31, 2026		December 31, 2025	
"Other current liabilities"	\$	2.1	\$	1.8
"Other long-term liabilities"		4.7		5.1
Total accrued loss reserves	\$	6.8	\$	6.9

Note 7. Income Taxes

For the three months ended March 31, 2026, the Company recorded an income tax expense of \$1.5 million, reflecting a 53.6% effective tax rate, compared to \$5.4 million for the three months ended March 31, 2025, reflecting a 27.4% effective tax rate. The income tax expense for three months ended March 31, 2026 was lower compared to the same period in 2025, primarily due to lower pretax book income and changes in the relative weighting of jurisdictional income and loss.

The Company's recorded liability for uncertain tax positions was \$14.3 million and \$14.1 million as of March 31, 2026 and December 31, 2025, respectively. The increase is the result of \$0.2 million of incremental reserves associated with a research and development credit generated during 2026.

The Company regularly assesses the likelihood of an adverse outcome resulting from examinations to determine the adequacy of its tax reserves. The Company is currently under audit by the U.S. Internal Revenue Service for the federal income tax return from the 2018 and 2023 tax years as well as various other state income tax and jurisdictional audits. As of March 31, 2026, the Company believes that it is more likely than not that the tax positions it has taken will be sustained upon the resolution of its audits, resulting in no material impact on its consolidated financial position, results of operations and cash flows. However, the final determination with respect to any tax audits, and any related litigation, could be materially different from the Company's estimates and/or from its historical income tax provisions and accruals and could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties and/or interest assessments.

Note 8. Commitments and Contingencies

Certain customers have financed purchases of Company products through arrangements with third-party financing institutions in which the Company is contingently liable for customer debt of \$0.5 million and \$0.6 million as of March 31, 2026 and December 31, 2025, respectively. These arrangements expire at various dates through March 2030. The agreements provide that the Company will receive the lender's full security interest in the financed equipment if the Company is required to fulfill its contingent liability under these arrangements. The Company has recorded a liability of \$0.1 million related to these guarantees as of both March 31, 2026 and December 31, 2025, which were included in "Other current liabilities" in the Consolidated Balance Sheets.

The Company reviews off-balance sheet guarantees individually. Prior history is considered with respect to the Company having to perform on any off-balance sheet guarantees, as well as future projections of individual customer creditworthiness with respect to assessing credit losses related to off-balance sheet guarantees.

In addition, the Company is contingently liable for letters of credit issued under its \$250.0 million revolving credit facility (the "2025 Credit Facility"), which outstanding letters of credit totaled \$5.9 million as of March 31, 2026. The outstanding letters of credit expire at various dates through April 2027. Unused letters of credit under the 2025 Credit Facility were \$24.1 million as of March 31, 2026. The Company is additionally contingently liable for a total of \$4.0 million in performance letters of credit and retention guarantees primarily held by its foreign subsidiaries, which are secured by separate credit facilities with various financial institutions as of March 31, 2026. Unused letters of credit under these separate credit facilities were \$6.6 million as of March 31, 2026.

The Company is currently a party, and may become a party, to various claims and legal proceedings in the ordinary course of business. If management believes that a loss arising from any claims and legal proceedings is probable and can reasonably be estimated, the Company records the amount of the loss (excluding estimated legal fees) or, when the loss is estimated using a range and no point within the range is more probable than another, the minimum estimated liability. As management becomes aware of additional information concerning such contingencies, any potential liability related to these matters is assessed, and the estimates are revised, if necessary. If management believes that a loss arising from such claims and legal proceedings is either (i) probable but cannot be reasonably estimated or (ii) reasonably estimable but not probable, the Company does not record the amount of the loss but does make specific disclosure of such matter.

Based upon currently available information and with the advice of counsel, management believes that the ultimate outcome of its current claims and legal proceedings, individually and in the aggregate, will not have a material adverse effect on the Company's financial position, cash flows or results of operations. However, claims and legal proceedings are subject to inherent uncertainties, and rulings unfavorable to the Company could occur. If an unfavorable ruling were to occur, there exists the possibility of a material adverse effect on the Company's financial position, cash flows or results of operations.

Note 9. Revenue Recognition

The following tables disaggregate the Company's revenue by major source for the three-month periods ended March 31, 2026 and 2025 (excluding intercompany sales):

(in millions)	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Infrastructure Solutions	Materials Solutions	Total	Infrastructure Solutions	Materials Solutions	Total
Net Sales-Domestic:						
Equipment sales	\$ 132.8	\$ 60.1	\$ 192.9	\$ 133.3	\$ 32.1	\$ 165.4
Parts and component sales	70.0	35.2	105.2	68.9	19.6	88.5
Service and equipment installation revenue	10.3	2.9	13.2	9.1	0.2	9.3
Used equipment sales	—	—	—	2.1	0.2	2.3
Freight revenue	6.9	2.4	9.3	7.5	1.2	8.7
Other	0.5	(2.1)	(1.6)	0.8	(1.2)	(0.4)
Total domestic revenue	220.5	98.5	319.0	221.7	52.1	273.8
Net Sales-International:						
Equipment sales	10.6	35.3	45.9	7.5	23.0	30.5
Parts and component sales	5.4	19.2	24.6	6.2	15.1	21.3
Service and equipment installation revenue	0.3	2.8	3.1	0.3	2.7	3.0
Used equipment sales	—	2.7	2.7	—	—	—
Freight revenue	0.2	0.7	0.9	0.3	0.6	0.9
Other	—	0.1	0.1	—	(0.1)	(0.1)
Total international revenue	16.5	60.8	77.3	14.3	41.3	55.6
Total net sales	\$ 237.0	\$ 159.3	\$ 396.3	\$ 236.0	\$ 93.4	\$ 329.4

As of March 31, 2026, the Company had contract assets of \$5.6 million and contract liabilities, excluding customer deposits, of \$6.0 million, including \$1.6 million of deferred revenue related to extended warranties. As of December 31, 2025, the Company had contract assets of \$5.9 million and contract liabilities, excluding customer deposits, of \$7.7 million, including \$1.4 million of deferred revenue related to extended warranties.

Note 10. Operations by Industry Segment and Geographic Area

The Company has two operating and reportable segments, each of which comprise sites based upon the nature of the products or services produced, the type of customer for the products, the similarity of economic characteristics, the manner in which management reviews results and the nature of the production process, among other considerations. The accounting policies of the reportable segments are the same as those described in Note 1, Basis of Presentation and Significant Accounting Policies. Intersegment sales and transfers between foreign subsidiaries are valued at prices comparable to those for unrelated parties.

Segment Operating Adjusted EBITDA is the measure of segment profit or loss used by the Company's Chief Executive Officer ("CEO"), who is the CODM, to evaluate performance and allocate resources to the reportable segments. The CODM uses this measure to allocate resources, including headcount, financial resources and capital resources, for each segment, predominantly in the annual budgeting process. Additionally, Segment Operating Adjusted EBITDA is believed to strongly correlate with shareholder returns and is, therefore, included as a key component in the compensation of certain employees. This metric is used to monitor actual results versus budget and forecast on a monthly basis to assess segment performance as compared to expectations. Segment Operating Adjusted EBITDA is defined as net income or loss before the impact of interest income or expense, income taxes, depreciation and amortization and certain other adjustments that are not considered by the CODM in the evaluation of ongoing operating performance. Beginning January 1, 2026, the Company's presentation of Segment Operating Adjusted EBITDA has been modified to include the gain or loss on sale of property and equipment. Prior periods have been revised to reflect this change.

A brief description of each segment is as follows:

Infrastructure Solutions - Sites within the Infrastructure Solutions segment design, engineer, manufacture and market a complete line of asphalt plants, concrete plants and their related components and ancillary equipment, including industrial automation controls and telematics platforms, as well as supply asphalt road construction equipment, industrial thermal systems, land clearing, recycling and other heavy equipment. The sites based in North America within the Infrastructure Solutions segment are primarily manufacturing operations, while those located outside of North America generally service and install equipment and provide parts in the regions in which they operate for many of the products produced by all of the Company's manufacturing sites. The primary purchasers of the products produced by this segment are asphalt and concrete producers, highway and heavy equipment contractors, commercial and residential paving contractors, utility contractors, forestry and environmental recycling contractors and domestic and foreign governmental agencies.

Materials Solutions - Sites within the Materials Solutions segment design and manufacture heavy equipment used in aggregate and minerals processing operations in addition to servicing, rebuilding and supplying parts. These operations support civil construction, energy, mining, hydro, recycling, ports, forestry and bulk handling markets. The sites within the Materials Solutions segment are primarily manufacturing operations, with sites in Australia, Canada, Chile, Sweden and Thailand functioning to market, service and install equipment and provide parts in the regions in which they operate for many of the products produced by all the Company's manufacturing sites. Additionally, the Materials Solutions segment offers consulting and engineering services to provide complete "turnkey" processing systems. The principal purchasers of aggregate processing equipment include distributors, highway and heavy equipment contractors, sand and gravel producers, demolition, recycling and crushing contractors, open mine operators, quarry operators, port and inland terminal authorities, power stations and foreign and domestic governmental agencies.

Asset information for the Company's reportable segments is set forth below:

(in millions)	March 31, 2026			December 31, 2025		
	Infrastructure Solutions	Materials Solutions	Total	Infrastructure Solutions	Materials Solutions	Total
Reportable segment assets	\$ 1,320.9	\$ 1,163.3	\$ 2,484.2	\$ 1,210.4	\$ 1,147.7	\$ 2,358.1

Revenue, significant expense and capital expenditure information for the Company's reportable segments is set forth below:

(in millions)	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Infrastructure Solutions	Materials Solutions	Total	Infrastructure Solutions	Materials Solutions	Total
Reportable segment revenues:						
Revenues from external customers	\$ 237.0	\$ 159.3	\$ 396.3	\$ 236.0	\$ 93.4	\$ 329.4
Intersegment revenues	8.2	1.3	9.5	8.8	2.1	10.9
Total revenues - reportable segments	<u>\$ 245.2</u>	<u>\$ 160.6</u>	<u>\$ 405.8</u>	<u>\$ 244.8</u>	<u>\$ 95.5</u>	<u>\$ 340.3</u>
Significant reportable segment expenses:						
Manufacturing operation costs:						
Equipment	\$ 98.4	\$ 70.1	\$ 168.5	\$ 97.6	\$ 40.9	\$ 138.5
Parts	38.7	26.9	65.6	36.3	19.1	55.4
Other	30.0	27.1	57.1	24.5	10.6	35.1
General and administrative	13.3	13.7	27.0	14.9	7.8	22.7
Sales and marketing	15.9	10.6	26.5	11.4	6.3	17.7
Quality costs ⁽¹⁾	4.8	0.7	5.5	6.6	2.5	9.1
Research and development	4.0	2.5	6.5	4.4	1.9	6.3
Inventory period costs ⁽²⁾	5.4	0.6	6.0	6.3	1.6	7.9
Other segment items ⁽³⁾	(0.1)	(0.5)	(0.6)	(0.1)	(0.4)	(0.5)
Reportable Segment Operating Adjusted EBITDA	<u>\$ 34.8</u>	<u>\$ 8.9</u>	<u>\$ 43.7</u>	<u>\$ 42.9</u>	<u>\$ 5.2</u>	<u>\$ 48.1</u>
Reportable segment capital expenditures	<u>\$ 4.9</u>	<u>\$ 2.9</u>	<u>\$ 7.8</u>	<u>\$ 2.9</u>	<u>\$ 0.7</u>	<u>\$ 3.6</u>

⁽¹⁾ Quality costs related to repair or other remediation expenses incurred for corrective action on product failures covered by warranties or voluntarily for certain warranty-type expenses occurring after the normal warranty period expires to help protect the reputation of the Company's products and maintain the goodwill of customers.

⁽²⁾ Inventory period costs primarily relate to inventory reserves and adjustments and net scrap sales.

⁽³⁾ Other segment items consists of foreign exchange gains and losses, investment income and loss, gains and losses on the sale of property and equipment and other income and expense amounts that are included in Segment Operating Adjusted EBITDA that are not considered to be significant segment expenses.

The reconciliation of Reportable Segment Operating Adjusted EBITDA to total "Income before income taxes" is set forth below:

(in millions)	Three Months Ended March 31,	
	2026	2025
Segment Operating Adjusted EBITDA - reportable segments	\$ 43.7	\$ 48.1
Corporate and Other expenses	(13.4)	(12.9)
Transformation program	(3.8)	(6.9)
Acquisition and integration costs	(2.9)	(0.8)
Interest expense, net	(6.6)	(1.4)
Depreciation and amortization	(14.2)	(6.4)
Income before income taxes	\$ 2.8	\$ 19.7

"Net sales" into major geographic regions, attributable to the shipping location or the location where service was performed, were as follows:

(in millions)	Three Months Ended March 31,	
	2026	2025
United States	\$ 319.0	\$ 273.8
Canada	24.0	15.4
Australia	12.5	4.7
South America (excluding Brazil)	9.3	3.2
Europe	8.0	7.4
Brazil	7.3	5.7
Africa	7.1	8.2
Asia	5.7	6.8
Mexico	2.0	3.2
Central America (excluding Mexico)	1.0	0.4
Other	0.4	0.6
Total foreign	77.3	55.6
Total net sales	\$ 396.3	\$ 329.4

Note 11. Strategic Transformation and Other Operating Gains, net

The Company's strategic transformation program includes the ongoing multi-year phased implementation of a standardized enterprise resource planning ("ERP"), which is replacing much of the existing disparate core financial systems. The upgraded ERP will initially convert internal operations, manufacturing, finance, human capital resources management and customer relationship systems to cloud-based platforms. An implementation of this scale is a major financial undertaking and requires substantial time and attention of management and key employees.

Net capitalized implementation costs associated with the ERP implementation totaled \$27.3 million, of which \$3.6 million and \$23.7 million were included in "Prepaid expenses and other assets" and "Other long-term assets," respectively, in the Consolidated Balance Sheets as of March 31, 2026. Net capitalized implementation costs totaled \$28.2 million, of which \$3.6 million and \$24.6 million were included in "Prepaid expenses and other assets" and "Other long-term assets," respectively, in the Consolidated Balance Sheets as of December 31, 2025. Accumulated amortization associated with these capitalized implementation costs totaled \$10.1 million and \$9.2 million as of March 31, 2026 and December 31, 2025, respectively.

Costs associated with these strategic transformation programs are presented below:

(in millions)	Three Months Ended March 31,	
	2026	2025
Strategic transformation programs		
Selling, general and administrative expenses	\$ 3.8	\$ 6.9
Cost of sales	—	0.1
Total costs related to strategic transformation initiatives	\$ 3.8	\$ 7.0
Amortization of capitalized implementation costs ⁽¹⁾	\$ 0.9	\$ 0.9

⁽¹⁾ Amortization of capitalized implementation costs is recorded in "Selling, general and administrative expenses" in the Consolidated Statements of Operations.

In addition, the Company periodically sells or disposes of its assets in the normal course of its business operations as they are no longer needed or used and may incur gains or losses on these disposals. Certain of the costs associated with these decisions are separately identified as restructuring. The Company reports asset impairment charges, excluding goodwill impairment, and gains or losses on the sales of property and equipment collectively, with restructuring charges in "Other operating gains, net" in the Consolidated Statements of Operations to the extent they are experienced.

Note 12. Earnings Per Common Share

Basic earnings per common share is determined by dividing "Net income attributable to controlling interest" by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per common share includes the dilutive effect of common stock equivalents, consisting of restricted stock units, performance stock units and stock held in the Company's deferred compensation programs, using the treasury stock method. Potential common shares that have an antidilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share. Performance stock units, which are considered contingently issuable, are considered dilutive when the related performance criterion has been met.

The following table sets forth a reconciliation of the number of shares used in the computation of basic and diluted earnings per common share:

	Three Months Ended March 31,	
	2026	2025
Denominator:		
Denominator for basic earnings per common share	22,938,887	22,833,292
Effect of dilutive securities	311,756	143,234
Denominator for diluted earnings per common share	23,250,643	22,976,526
Antidilutive securities excluded from the calculation of diluted earnings per share	1,319	424

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The financial condition, results of operations and cash flows discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are those of Astec Industries, Inc. and its consolidated subsidiaries, collectively, the "Company," "Astec," "we," "our" or "us." The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in Item 1 of Part I of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and related notes included in our [Annual Report on Form 10-K](#) for the year ended December 31, 2025. The financial position, results of operations, cash flows and other information included herein are not necessarily indicative of the financial position, results of operations and cash flows that may be expected in future periods.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, particularly the following discussion and analysis of our results of operations, financial condition and liquidity in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, businesses in which we operate and the United States and global economies. Statements in this Quarterly Report on Form 10-Q that are not historical are hereby identified as "forward-looking statements" and may be indicated by words or phrases such as "anticipates," "supports," "plans," "projects," "expects," "believes," "should," "would," "could," "forecast," "management is of the opinion," or use of the future tense and similar words or phrases.

These forward-looking statements are based largely on management's expectations, which are subject to a number of known and unknown risks, uncertainties and other factors described under the caption Item 1A. Risk Factors in Part II of this Report, elsewhere herein and in other documents filed by the Company with the Securities and Exchange Commission, including Part I, Item 1A. Risk Factors of the Company's [Annual Report on Form 10-K](#) for the year ended December 31, 2025, which may cause actual results, financial or otherwise, to be materially different from those anticipated, expressed or implied by the forward-looking statements. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements to reflect future events or circumstances, except as required by law.

Executive Summary

Highlights of our financial results for the three months ended March 31, 2026 as compared to the same period of the prior year include the following:

- Net sales were \$396.3 million, an increase of 20.3%
- Gross profit was \$99.1 million, an increase of 7.3%
- Income from operations was \$9.0 million, a decrease of 56.1%
- Net income attributable to Astec was \$1.3 million, a decrease of 90.9%
- Diluted income per share was \$0.06, a decrease of 90.3%
- Backlog was \$549.2 million, an increase of 36.4%

Recent Developments and Business Conditions

CWMF Acquisition – On January 1, 2026, we completed our acquisition of CWMF, LLC ("CWMF"), a manufacturer of portable and stationary asphalt plant equipment and parts. The acquisition increases production capacity in our Infrastructure Solutions segment.

Strategic Transformation Program – Our strategic transformation program includes the ongoing multi-year phased implementation of a standardized ERP system, which is replacing much of our existing disparate core financial systems. To date, we have launched the human capital resources module worldwide and converted the operations of three manufacturing sites along with Corporate. We expect the project to conclude in 2028 or 2029 with total approximate implementation costs anticipated to range from \$180 to \$200 million. Through the first quarter of 2026, we have incurred total implementation costs of approximately \$154 million.

See Note 11, Strategic Transformation and Other Operating Gains, net of the Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional discussion of the costs related to these strategic initiatives.

Economic Conditions – We monitor macroeconomic and other factors that may affect our business such as steel and oil prices and geopolitical conflicts, among others.

Steel is a major component of our equipment. Fluctuations in steel prices throughout 2025 resulted in a relatively stable average price for the year overall. However, continued low levels of steel imports, rising steel demand in certain markets and elevated freight and energy costs have driven increased steel prices in the first quarter of 2026. We anticipate that steel prices will remain elevated during 2026.

Additionally, significant portions of our revenues from the Infrastructure Solutions segment relate to the sale of equipment involved in the production, handling, recycling or application of asphalt mix. Liquid asphalt is a by-product of oil refining, and changes in the price of oil impact the cost of asphalt, which is in turn likely to alter demand for asphalt and therefore affect demand for certain of our products. Oil prices have routinely fluctuated in recent years and have experienced a significant rise in the first quarter of 2026 due to the conflict in the Middle East. We anticipate that these high prices will persist in the short term.

New or ongoing geopolitical conflicts may cause a downturn in the construction industries in which we operate, cause an increase in oil prices, damage a significant portion of our inventory or materially impair our ability to distribute our products to customers. We monitor, adjust and potentially cease our operations in affected jurisdictions to ensure compliance with any governmental actions made in response to such conflicts.

Whenever possible, we attempt to cover increased costs of production by adjusting the prices of our products. The markets we serve are competitive in nature, and competition limits our ability to pass through cost increases in many cases.

Results of Operations

Net Sales

Net sales for the first quarter of 2026 were \$396.3 million compared to \$329.4 million for the first quarter of 2025, an increase of \$66.9 million, or 20.3%. The increase in net sales was primarily driven by net favorable volume and mix coupled with favorable pricing from both organic and inorganic contributions that generated increases in (i) equipment sales of \$42.9 million, (ii) parts and component sales of \$20.0 million and (iii) service and equipment installation revenue of \$4.0 million. These increases were partially offset by decreased other revenues of \$1.0 million. Sales reported by our foreign subsidiaries in U.S. dollars for the first quarter of 2026 would have been \$4.5 million lower had foreign exchange rates been the same as 2025 rates.

Domestic sales for the first quarter of 2026 were \$319.0 million, or 80.5% of consolidated net sales, compared to \$273.8 million, or 83.1% of consolidated net sales, for the first quarter of 2025, an increase of \$45.2 million, or 16.5%. Domestic sales increased primarily due to increases in (i) equipment sales of \$27.5 million, (ii) parts and component sales of \$16.7 million and (iii) service and equipment installation revenue of \$3.9 million. These increases were partially offset by decreases in used equipment sales and other revenues of \$2.3 million and \$1.2 million, respectively.

International sales for the first quarter of 2026 were \$77.3 million, or 19.5% of consolidated net sales, compared to \$55.6 million, or 16.9% of consolidated net sales, for the first quarter of 2025, an increase of \$21.7 million, or 39.0%. International sales increased primarily due to increases in (i) equipment sales of \$15.4 million, (ii) parts and component sales of \$3.3 million and (iii) used equipment sales of \$2.7 million.

Gross Profit

Gross profit for the first quarter of 2026 was \$99.1 million, or 25.0% of net sales, as compared to \$92.4 million, or 28.1% of net sales, for the first quarter of 2025, an increase of \$6.7 million or 7.3%. The increase in gross profit was primarily driven by (i) the impact of net favorable volume and mix coupled with favorable pricing of \$25.3 million, (ii) lower warranty program costs of \$3.2 million and (iii) net favorable inventory adjustments of \$1.6 million. These increases were partially offset by (i) the impacts of manufacturing variances partially due to freight, duties and tariffs of \$16.1 million, (ii) the impact of inflation on materials, labor and overhead of \$6.2 million and (iii) the amortization of acquisition-related inventory fair value step-up of \$1.4 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$90.2 million, or 22.8% of net sales, for the first quarter of 2026, compared to \$71.9 million, or 21.8% of net sales, for the first quarter of 2025, an increase of \$18.3 million, or 25.5%, primarily due to (i) increased personnel-related costs of \$7.8 million, (ii) increased intangible asset amortization expense of \$7.2 million, (iii) increased exhibit and promotional costs of \$3.0 million primarily due to the ConExpo industry trade show held once every three years, (iv) increased travel expense of \$1.1 million and (v) increased acquisition and integration costs of \$0.7 million. These increases were partially offset by lower costs related to our strategic transformation program of \$3.1 million.

Interest Expense

Interest expense of \$7.4 million was incurred in the three months ended March 31, 2026, as compared to \$2.0 million in the three months ended March 31, 2025, primarily related to higher average outstanding borrowings coupled with higher interest rates on the 2025 Credit Facilities as compared to our previous credit facilities, which were replaced by the 2025 Credit Facilities.

Income Tax

Our income tax expense for the first quarter of 2026 was \$1.5 million compared to \$5.4 million for the first quarter of 2025. Our effective income tax rate was 53.6% for the first quarter of 2026 compared to 27.4% for the first quarter of 2025. The income tax expense for three months ended March 31, 2026 was lower compared to the same period in 2025, primarily due to lower pretax book income and changes in the relative weighting of jurisdictional income and loss.

Backlog

(in millions, except percentage data)	March 31,		\$ Change	% Change
	2026	2025		
Infrastructure Solutions	\$ 312.6	\$ 276.4	\$ 36.2	13.1 %
Materials Solutions	236.6	126.2	110.4	87.5 %
Domestic Backlog	468.8	329.3	139.5	42.4 %
International Backlog	80.4	73.3	7.1	9.7 %

Uncertainty driven by macroeconomic factors, such as changing interest rates, global tariff policies and geopolitical conflicts, as well as seasonality, have historically had an impact on our backlog. The backlog of orders as of March 31, 2026 was \$549.2 million compared to \$402.6 million as of March 31, 2025, an increase of \$146.6 million, or 36.4%. The increases in backlog are driven by organic growth due to increased demand in the aggregates business, partially attributable to large data center projects, and inorganic contributions.

Net Sales by Segment

(in millions, except percentage data)	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Infrastructure Solutions	\$ 237.0	\$ 236.0	\$ 1.0	0.4 %
Materials Solutions	159.3	93.4	65.9	70.6 %

Infrastructure Solutions

Sales in this segment were \$237.0 million for the first quarter of 2026 compared to \$236.0 million for the same period in 2025, an increase of \$1.0 million, or 0.4%. The increase was primarily driven by favorable pricing partially offset by net unfavorable volume and mix that generated increases in equipment sales and service and equipment installation revenue of \$2.6 million and \$1.2 million, respectively. These increases were partially offset by lower used equipment sales of \$2.1 million.

Domestic sales for the Infrastructure Solutions segment decreased \$1.2 million, or 0.5%, for the first quarter of 2026 compared to the same period in 2025, primarily due to lower used equipment sales of \$2.1 million. These decreases were partially offset by higher service and equipment installation revenue and parts and component sales of \$1.2 million and \$1.1 million, respectively.

International sales for the Infrastructure Solutions segment increased \$2.2 million, or 15.4%, for the first quarter of 2026 compared to the same period in 2025, primarily due to higher equipment sales of \$3.1 million partially offset by lower parts and component sales of \$0.8 million.

Materials Solutions

Sales in this segment were \$159.3 million for the first quarter of 2026 compared to \$93.4 million for the same period in 2025, an increase of \$65.9 million, or 70.6%. The increase was primarily driven by net favorable volume and mix coupled with favorable pricing that generated increases in (i) equipment sales of \$40.3 million, (ii) parts and component sales of \$19.7 million, (iii) service and installation revenue of \$2.8 million, (iv) used equipment sales of \$2.5 million and (v) freight revenue of \$1.3 million.

Domestic sales for the Materials Solutions segment increased by \$46.4 million, or 89.1%, for the first quarter of 2026 compared to the same period in 2025, primarily due to higher (i) equipment sales of \$28.0 million, (ii) service and installation revenue of \$15.6 million, (iii) used equipment sales of \$2.7 million and (iv) freight revenue of \$1.2 million. These increases were partially offset by lower other revenue of \$0.9 million.

International sales for the Materials Solutions segment increased \$19.5 million, or 47.2%, for the first quarter of 2026 compared to the same period in 2025, primarily due to higher (i) equipment sales of \$12.3 million, (ii) parts and component sales of \$4.1 million and (iii) used equipment sales of \$2.7 million.

Segment Operating Adjusted EBITDA

Segment Operating Adjusted EBITDA is the measure of segment profit or loss used by the CEO, who is the CODM, to evaluate performance and allocate resources to the reportable segments. Segment Operating Adjusted EBITDA is defined as net income or loss before the impact of interest income or expense, income taxes, depreciation and amortization and certain other adjustments that are not considered by the CODM in the evaluation of ongoing operating performance. See Note 10, Operations by Industry Segment and Geographic Area, of the Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a reconciliation of Segment Operating Adjusted EBITDA to total consolidated income before income taxes.

(in millions, except percentage data)	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Infrastructure Solutions	\$ 34.8	\$ 42.9	\$ (8.1)	(18.9)%
Materials Solutions	8.9	5.2	3.7	71.2 %

Infrastructure Solutions

Segment Operating Adjusted EBITDA for the Infrastructure Solutions segment was \$34.8 million for the first quarter of 2026 compared to \$42.9 million for the same period in 2025, a decrease of \$8.1 million or 18.9%. The decrease in Segment Operating Adjusted EBITDA resulted primarily from (i) material variances of \$6.6 million, (ii) the impact of inflation on materials, labor and overhead of \$4.5 million, (iii) higher exhibit and promotional costs of \$2.0 million and (iv) increases in personnel-related costs of \$1.2 million. These decreases were reduced by the impact of favorable pricing partially offset by net unfavorable volume and mix that generated \$2.8 million higher gross profit and lower quality-related costs of \$1.8 million.

Materials Solutions

Segment Operating Adjusted EBITDA for the Materials Solutions segment was \$8.9 million for the first quarter of 2026 compared to \$5.2 million for the same period in 2025, an increase of \$3.7 million, or 71.2%. The increase in Segment Operating Adjusted EBITDA resulted primarily from the impact of net favorable volume and mix coupled with favorable pricing that generated \$22.6 million higher gross profit and lower quality-related costs of \$1.8 million. These increases were reduced by (i) manufacturing variances partially due to freight, duties and tariffs of \$9.1 million, (ii) increases in personnel-related costs of \$6.5 million, (iii) the impact of inflation on materials, labor and overhead of \$1.7 million and (iv) higher exhibit and promotional costs of \$0.8 million.

Corporate and Other Operations

Corporate and Other operations, which are not an operating segment or included in one of the other reportable segments, had net expenses of \$13.4 million for the first quarter of 2026 compared to \$12.9 million for the same period in 2025, an increase of \$0.5 million, or 3.9%.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash and cash equivalents on hand, borrowing capacity under our 2025 Credit Facilities and cash flows from operations. As of March 31, 2026, our total liquidity was \$267.5 million, consisting of \$73.4 million of cash and cash equivalents available for operating purposes and \$194.1 million available for additional borrowings under the 2025 Revolving Credit Facility, to the extent our compliance with financial covenants permits such borrowings. Our foreign subsidiaries held \$38.8 million of cash and cash equivalents available for operating purposes, which is considered to be indefinitely invested in those jurisdictions.

Our future cash requirements primarily include working capital needs, debt service obligations, capital expenditures, vendor-hosted software arrangements including the related implementation costs, unrecognized tax benefits and operating lease payments. In addition, our variable cash uses may include transformation initiatives, strategic acquisitions, dividend payments and share repurchases under our share repurchase authorization. We believe that our current working capital, cash flows generated from future operations and available capacity under the 2025 Revolving Credit Facility will be sufficient to meet working capital and capital expenditure requirements for our existing business for at least the next 12 months.

On July 1, 2025, we entered into the 2025 Credit Agreement that provides for (i) the 2025 Revolving Credit Facility, a term loan facility, a swingline facility and a letter of credit facility, in an initial aggregate amount of up to \$600.0 million and (ii) an incremental facilities limit in an aggregate amount not to exceed \$150.0 million. We had outstanding principal indebtedness on the term loan facility of \$336.9 million and \$50.0 million outstanding borrowings under the 2025 Revolving Credit Facility as of March 31, 2026. Our outstanding letters of credit totaling \$5.9 million decreased borrowing availability to \$194.1 million under the 2025 Revolving Credit Facility as of March 31, 2026.

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Certain of our international subsidiaries in Australia, Brazil, Canada, South Africa and the United Kingdom each have separate credit facilities with local financial institutions primarily to finance short-term working capital needs, as well as to cover foreign exchange contracts, performance letters of credit, advance payment and retention guarantees. The outstanding borrowings under such credit facilities of the international subsidiaries are recorded in "Short-term debt" in our Consolidated Balance Sheets. Each of these credit facilities is generally guaranteed by Astec Industries, Inc. and/or secured with certain assets of the local subsidiary.

We regularly enter into agreements, primarily to purchase inventory, in the ordinary course of business. As of March 31, 2026, open purchase obligations totaled \$189.5 million, of which \$186.3 million are expected to be fulfilled within the remainder of 2026.

We estimate that our capital expenditures will be between \$40.0 million and \$50.0 million for the year ending December 31, 2026, which may be impacted by general economic, financial or operational changes and competitive, legislative and regulatory factors, among other considerations.

Cash Flows

The following table summarizes cash flows during the three months ended March 31, 2026 and 2025, respectively:

(in millions)	Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 40.7	\$ 20.5
Net cash used in investing activities	(76.2)	(4.2)
Net cash provided by (used in) financing activities	39.0	(15.0)
Effect of exchange rates on cash	(0.5)	0.5
Increase in cash, cash equivalents and restricted cash	3.0	1.8
Cash, cash equivalents and restricted cash, end of period	\$ 75.0	\$ 92.6

Net cash provided by operating activities

Our operating activities provided net cash of \$40.7 million for the three months ended March 31, 2026 as compared to \$20.5 million for the three months ended March 31, 2025. This increase is primarily due to net cash provided by our operating assets and liabilities of \$25.8 million partially offset by decreased cash inflows from net income reduced by non-cash charges of \$5.6 million. The net cash provided by our operating assets and liabilities was mainly driven by fluctuations in (i) inventories of \$16.5 million, (ii) trade and other receivables of \$9.0 million and (iii) customer deposits of \$7.4 million. The net cash provided was partially offset by fluctuations in prepaid and refundable income taxes of \$4.3 million and higher employee-related payments of \$3.0 million.

Net cash used in investing activities

Net cash used in investing activities was \$76.2 million during the three months ended March 31, 2026 as compared to \$4.2 million during the three months ended March 31, 2025, primarily due to the CWMF acquisition and increased capital expenditures of \$4.2 million.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was \$39.0 million during the three months ended March 31, 2026 as compared to a net use of \$15.0 million during the three months ended March 31, 2025, primarily due to higher net debt borrowings in 2026 as compared to 2025.

Dividends

We paid quarterly dividends of \$0.13 per common share to shareholders in the first quarter of both 2026 and 2025.

Financial Condition

Our total current assets increased to \$819.5 million as of March 31, 2026 from \$816.6 million as of December 31, 2025, an increase of \$2.9 million, or 0.4%, due primarily to increases in inventories and cash, cash equivalents and restricted cash of \$3.8 million and \$3.0 million, respectively. These increases were partially offset by a decrease in trade and other receivables of \$3.1 million.

Our total current liabilities increased to \$349.6 million as of March 31, 2026 from \$328.0 million as of December 31, 2025, an increase of \$21.6 million, or 6.6%, due primarily to increases in accounts payables and customer deposits of \$14.7 million and \$12.4 million, respectively. These increases were partially offset by decreases in accrued employee-related liabilities and accrued product warranties of \$2.6 million and \$2.0 million, respectively.

Critical Accounting Estimates

Our critical accounting estimates are described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our [Annual Report on Form 10-K](#) for the year ended December 31, 2025. There have been no significant changes to our critical accounting estimates since our [Annual Report on Form 10-K](#) for the year ended December 31, 2025 was filed.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our quantitative and qualitative disclosures about market risk are incorporated by reference from Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our [Annual Report on Form 10-K](#) for the year ended December 31, 2025. Our market risk exposures have not materially changed since our [Annual Report on Form 10-K](#) for the year ended December 31, 2025 was filed.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management has established and maintains disclosure controls and procedures that are designed to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including our CEO and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management carried out an evaluation, under the supervision and with the participation of our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our CEO and CFO have concluded that as of March 31, 2026, the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the three month period ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

We are currently undertaking a significant multi-year global ERP implementation to upgrade our information technology platforms and business processes. The implementation is occurring in phases over several years, which began in 2023. To date, we have launched the consolidations and reporting module, the human capital resources module, including the payroll application for all locations within the United States, and the ERP at Corporate and three manufacturing sites.

As a result of this multi-year implementation, we expect certain changes to our processes and procedures, which, in turn, will result in changes to our internal control over financial reporting. While we expect this implementation to strengthen our internal control over financial reporting by automating certain manual processes and standardizing business processes and reporting across our organization, we will continue to evaluate and monitor our internal control over financial reporting as processes and procedures in the affected areas evolve.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in legal actions arising in the ordinary course of our business. Except as noted elsewhere in this Report, there are no pending or threatened litigation proceedings that our management believes will result in an outcome that would materially affect our business, financial position, cash flows or results of operations. Nevertheless, there can be no assurance that future litigation to which we become a party will not have a material adverse effect on our business, financial position, cash flows or results of operations.

See Note 8, Commitments and Contingencies of the Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding material legal proceedings in which we are involved.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the risk factors discussed in Part I, Item 1A. Risk Factors in our [Annual Report on Form 10-K](#) for the year ended December 31, 2025, which could materially affect our business, financial condition or future results. The risks described in our [Annual Report on Form 10-K](#) for the year ended December 31, 2025 are not the only risks facing our Company. Additional risks and uncertainties not currently known to management or that management currently deems to be immaterial also may materially and adversely affect our business, financial condition or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

During the three month period ended March 31, 2026, no officers or directors, as defined in Rule 16a-1(f) under the Exchange Act, adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form	Period Ended	Filing Date
10.1	Form of Performance-Based Restricted Stock Unit Award Certificate (Return On Invested Capital) under the Astec Industries, Inc. 2025 Equity Incentive Plan*	X			
31.1	Certification of Chief Executive Officer of Astec Industries, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Financial Officer of Astec Industries, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Chief Executive Officer of Astec Industries, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Financial Officer of Astec Industries, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101.INS	XBRL Instance Document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X			
104	Cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in iXBRL (included as Exhibit 101). *Management contract or compensatory plan or arrangement	X			

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASTECH INDUSTRIES, INC.
(Registrant)

Date: May 6, 2026

/s/ Brian J. Harris

Brian J. Harris
Chief Financial Officer
(Principal Financial Officer)

Date: May 6, 2026

/s/ Robert G. Putney

Robert G. Putney
Vice President, Chief Accounting Officer and Business Development
(Principal Accounting Officer)

Astec Industries Inc.

**PERFORMANCE-BASED
RESTRICTED STOCK UNIT AWARD CERTIFICATE**

(Return On Invested Capital)

Non-transferable

G R A N T T O

(“Grantee”)

by Astec Industries, Inc. (the “Company”) of Restricted Stock Units (the “Units”) representing the right to receive, on a one-for-one basis, shares of the Company’s \$0.20 par value common stock (“Shares”), pursuant to and subject to the provisions of the Astec Industries, Inc. 2025 Equity Incentive Plan (the “Plan”) and to the terms and conditions set forth on the following pages of this award certificate (this “Certificate”).

The number of Units subject to this award is [] (the “Target Award”).

Depending on the Company's Return on Invested Capital (as such is defined in Section 1 of this Agreement) for the three fiscal-year period beginning January 1, 20__ and ending December 31, 20__ (the "Performance Period"), and Grantee's continued employment with the Company or its Affiliates through _____, Grantee may earn and vest in between 0% and 200% of the Target Award, subject to the terms and conditions of this Agreement and as set forth in Exhibit A.

By accepting this award, Grantee shall be deemed to have agreed to the terms and conditions of this Certificate and the Plan.

IN WITNESS WHEREOF, Astec Industries Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed as of the Grant Date.

ASTE C INDUSTRIES, INC.

Grant Date:

By: _____
Its: Authorized Representative

Accepted by Grantee: _____

TERMS AND CONDITIONS

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. In addition, for purposes of this Certificate, "Return on Invested Capital" means the ratio of net operating profit after tax and invested capital, excluding the impact of material acquisitions with a purchase price equal to or exceeding \$125,000,000.

2. Earning and Vesting of Units.

(1) Units Earned During Performance Period. The Units have been credited to a bookkeeping account on behalf of Grantee and do not represent actual Shares of common stock. The Units represent the right to earn and vest in between 0% and 200% of the Target Award, payable in Shares of common stock on the Vesting Date (as defined below), depending on the Company's level of achievement of performance goals relating to average Return on Invested Capital for Performance Period in accordance with Exhibit A, and (ii) either (A) Grantee's continued employment with the Company or its Affiliates through _____ or (B) Grantee's Retirement (as defined below) during the Performance Period, subject to the Grantee signing a separation agreement with the Company in the form established by the Company and continuing to comply with the provisions thereof (which may include, among other things, non-competition, non-solicitation, confidentiality and non-disparagement covenants). As soon as practical following the Performance Period, the Compensation Committee (the "Committee") shall determine and certify (i) the Company's level of achievement of the average Return on Invested Capital goals during the Performance Period, and (ii) the number of Units that were earned based on such measure, provided, that in the event of Grantee's Retirement, the number of Units earned shall be prorated by multiplying the result by a fraction, the numerator of which is the number of whole days elapsed in the Performance Period prior to Grantee's Retirement and the denominator of which is 1,095. For purposes of this Certificate, "Retirement" means a Participant's termination of employment with the Company or an Affiliate after attaining age 65 and with the Committee's approval where at least 6 months' notice of termination has been provided by the Participant.

1. Units Earned Upon Certain Employment Terminations. In the event that (i) Grantee's employment is terminated during the Performance Period due to death or Disability, or (ii) Grantee's employment is terminated during the Performance Period without Cause or Grantee resigns for Good Reason, in either case within one year after the effective date of a Change in Control in which the Units were assumed by the surviving entity or otherwise equitably converted or substituted, the Units shall be deemed to have been earned at: (A) 100% of the Target Award if the termination occurs during the first year of the Performance Period, and (B) a percentage of the Target Award based on actual performance through the termination, as determined by the Committee, if the termination occurs during the second or third year of the Performance Period. Performance through the termination shall be determined based on completed years in the Performance Period.

1. Units Earned Upon Change in Control. In the event of a Change in Control during the first year of the Performance Period in which the Units are not assumed by the surviving entity or otherwise equitably converted or substituted, Grantee shall be deemed to have earned 100% of the Target Award. In the event of a Change in Control during the second or third year of the Performance Period in which the Units are not assumed by the surviving entity or otherwise equitably converted or substituted, Grantee shall be deemed to have earned a percentage of the Target Award based on actual performance through the Change in Control, as determined by the Committee. Performance through the Change in Control shall be determined based on completed years in the Performance Period.

1. Vesting of Units. Any Units that are earned pursuant to Section 2(a), 2(b) or 2(c) above shall vest and become non-forfeitable on the earliest to occur of the following (the "Vesting Date"):

(1) _____, provided that Grantee has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such date or in the event of Grantee's Retirement during the Performance Period, or

1. the termination of Grantee's employment under circumstances described in Section 2(b) above, or
1. the occurrence of a Change in Control in which the Units are not assumed by the surviving entity or otherwise equitably converted or substituted, provided Grantee has continued in the employment of the Company, its Affiliates, and/or its Subsidiaries through such date.

Any Units that are not earned during the Performance Period in accordance with the terms set forth above will be forfeited to the Company without further consideration or any act or action by Grantee. If Grantee's employment with the Company or an Affiliate or Subsidiary terminates prior to the Vesting Date for any reason other than due to Grantee's Retirement or as described in Section 2(b) above, Grantee shall forfeit all right, title and interest in and to the earned Units as of the date of such termination and the Units will be forfeited to the Company without further consideration or any act or action by Grantee.

3. Conversion to Shares. Unless the Units are forfeited prior to the Vesting Date as provided in section 2 above, the Units will be converted to actual Shares (one Share per vested Unit) after the Vesting Date as soon as practicable (and no later than 30 days) after the Vesting Date (the "Conversion Date"). Stock certificates evidencing the conversion of Units into Shares of common stock will be registered on the books of the Company in Grantee's name (or in street name to Grantee's brokerage account) as of the Conversion Date and delivered to Grantee, in certificated or uncertificated form, as soon as practical thereafter.

4. Rights as Shareholder. Grantee shall not have voting or any other rights as a shareholder of the Company with respect to the Units. Upon conversion of the Units into shares of Stock, Grantee will obtain full voting and other rights as a stockholder of the Company.

5. Dividend Equivalents. If any dividends or other distributions are paid with respect to the Company's Stock while the Units are outstanding, the dollar amount or fair market value of such dividends or distributions with respect to the number of shares of Stock then underlying the Units shall be converted into additional Units in Grantee's name, based on the Fair Market Value of the Stock as of the date such dividends or distributions were payable, and such additional Units shall be subject to the same forfeiture and transfer restrictions and deferral terms as apply to the Units with respect to which they relate. Upon conversion of the Units into shares of Stock at the Conversion Date or any applicable

deferral termination date, Grantee will obtain full voting and other rights as a shareholder of the Company.

6. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Units may be pledged, encumbered, or hypothecated or made subject to any lien, obligation or liability of Grantee to any other party other than the Company or an Affiliate. Except as otherwise provided in the Plan, the Units may not be sold, assigned, transferred or otherwise disposed of by Grantee other than by will or the laws of descent and distribution.

7. No Right of Continued Service. Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in employment of the Company or any Affiliate.

8. Payment of Taxes. The Company or any Affiliate employing Grantee has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting or settlement of the Units. Unless the Committee determines otherwise, the withholding requirement shall be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company, and, where applicable, its Affiliates or Subsidiaries will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

9. Restrictions on Issuance of Shares. If at any time the Committee shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any securities exchange or similar self-regulatory organization or under any federal or state securities law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10. Plan Controls. The terms contained in the Plan shall be and are hereby incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. Without

limiting the foregoing, the terms and conditions of the Units, including the number of shares and the class or series of capital stock which may be delivered upon settlement of the Units, are subject to adjustment as provided in Article 15 of the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative.

11. Successors. This Award Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Award Certificate and the Plan.

12. Compensation Recoupment Policy. The Units and any Stock issued thereunder shall be subject to any compensation recoupment policy of the Company that is applicable by its terms to Grantee and to awards of this type.

13. Notices. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Astec Industries, Inc., 1725 Shepherd Road, Chattanooga, Tennessee 37421; Attention: LTIP Plan Administrator, or any other address designated by the Company with notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

EXHIBIT A

The Units will be earned, in whole or in part, based on the Company's average Return on Invested Capital over the Performance Period, based on the following table.

Performance Matrix for Average Return on Invested Capital

Degree of Performance Attainment	Return on Invested Capital Targets	Percentage of Weighted Target Award Earned *
Maximum	[]%	200%
Target	[]%	100%
Threshold	[]%	50%
Below Threshold	<[]%	0%

*Payouts between performance levels will be determined based on straight line interpolation.

**Certification pursuant to Rule 13a-14(a)/15d-14(a),
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jaco van der Merwe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Astec Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Jaco van der Merwe

Jaco van der Merwe
President and Chief Executive Officer
(Principal Executive Officer)

**Certification pursuant to Rule 13a-14(a)/15d-14(a),
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Brian J. Harris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Astec Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Brian J. Harris

Brian J. Harris
Chief Financial Officer
(Principal Financial Officer)

**Certification pursuant to 18 U.S.C. Section 1350, as adopted
pursuant to Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report of Astec Industries, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jaco van der Merwe, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2026

/s/ Jaco van der Merwe

Jaco van der Merwe
President and Chief Executive Officer
(Principal Executive Officer)

**Certification pursuant to 18 U.S.C. Section 1350, as adopted
pursuant to Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report of Astec Industries, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian J. Harris, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2026

/s/ Brian J. Harris

Brian J. Harris
Chief Financial Officer
(Principal Financial Officer)