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## AZZ Inc. Raises Full Year Fiscal Year 2025 Guidance

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**April 8, 2024** - FORT WORTH, TX - AZZ Inc. (NYSE: AZZ), the leading independent provider of hot-dip galvanizing and coil coating solutions, today announced upwardly revised financial guidance for the fiscal year 2025, which refers to the 12-month period beginning March 1, 2024 and ending on February 28, 2025.

	Previously Issued FY 2025 Guidance	Revised FY 2025 Guidance <sup>(1)</sup>
Sales	\$1.5 - \$1.6 billion	\$1.525 - \$1.625 billion
Adjusted EBITDA	\$300 - \$350 million	\$310 - \$360 million
Adjusted Diluted EPS	\$4.25 - \$4.75	\$4.50 - \$5.00

(1) FY2025 Revised Guidance Assumptions:

- a. Excludes the impact of any future acquisitions.
- b. Includes approximately \$15-\$18 million of equity income from AZZ's minority interest in its unconsolidated subsidiary, which resulted from the divestiture of 60% of AIS in 2022
- c. Adjusted Diluted EPS guidance includes the add back of amortization related to the Company's intangible assets.

Tom Ferguson, President, and Chief Executive Officer of AZZ, said, "We are confident about AZZ's operating performance for fiscal year 2025 as we are seeing signs of strength in many of our end-markets. We again successfully repriced our Term Loan B in March, reducing the interest rate margin by another 50 basis points. In addition, S&P Global recently upgraded the rating on our senior secured debt to 'BB-' from 'B' a solid two notch increase. We are gaining confidence in the outlook from our minority interest in the AVAIL joint venture and have increased our estimates of equity income. Our capital expenditures for fiscal year 2025 are expected to remain unchanged at approximately \$100 - \$120 million, which includes \$50 - \$60 million to complete the greenfield plant construction in Washington, Missouri in fiscal year 2025. The balance will be allocated to maintenance, productivity enhancements, and environmental, health and safety initiatives. In FY2025 we will continue to allocate our strong cash flow generated from operations to further deleverage the company by approximately \$60 - \$90 million.

"As we continue to progress through the fiscal year, our focus will be on organic growth within our Metal Coatings and Precoat Metals segments. We intend to grow market share and ensure that superior customer service, quality, and operational excellence remain differentiators for the company. We generate industry-leading margins, returns and free cash flow. We have access to the capital necessary to sustain our operations, while actively pursuing initiatives to drive future growth and enhance shareholder value. We are excited about the opportunities ahead," Ferguson concluded.

## **About AZZ Inc.**

AZZ Inc. is the leading independent provider of hot-dip galvanizing and coil coating solutions to a broad range of end-markets. Collectively, our business segments provide sustainable, unmatched metal coating solutions that enhance the longevity and appearance of buildings, products and infrastructure that are essential to everyday life.

## **Safe Harbor Statement**

*Certain statements herein about our expectations of future events or results constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by terminology such as "may," "could," "should," "expects," "plans," "will," "might," "would," "projects," "currently," "intends," "outlook," "forecasts," "targets," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Such forward-looking statements are based on currently available competitive, financial, and economic data and management's views and assumptions regarding future events. Such forward-looking statements are inherently uncertain, and investors must recognize that actual results may differ from those expressed or implied in the forward-looking statements. Forward-looking statements speak only as of the date they are made and are subject to risks that could cause them to differ materially from actual results. Certain factors could affect the outcome of the matters described herein. This press release may contain forward-looking statements that involve risks and uncertainties including, but not limited to, changes in customer demand for our products and services, including demand by the construction markets, the industrial markets, and the metal coatings markets. We could also experience additional increases in labor costs, components and raw materials including zinc and natural gas, which are used in our hot-dip galvanizing process; supply-chain vendor delays; customer requested delays of our products or services; delays in additional acquisition opportunities; an increase in our debt leverage and/or interest rates on our debt, of which a significant portion is tied to variable interest rates; availability of experienced management and employees to implement AZZ's growth strategy; a downturn in market conditions in any industry relating to the products we inventory or sell or the services that we provide; economic volatility, including a prolonged economic downturn or macroeconomic conditions such as inflation or changes in the political stability in the United States and other foreign markets in which we operate; acts of war or terrorism inside the United States or abroad; and other changes in economic and financial conditions. AZZ has provided additional information regarding risks associated with the business, including in Part I, Item 1A. Risk Factors, in AZZ's Annual Report on Form 10-K for the fiscal year ended February 28, 2023, and other filings with the SEC, available for viewing on AZZ's website at [www.azz.com](http://www.azz.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). You are urged to consider these factors carefully when evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. These statements are based on information as of the date hereof and AZZ assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.*

## **Non-GAAP Financial Measures**

*Information reconciling forward-looking Adjusted EBITDA from continuing operations and Adjusted Diluted Earnings from continuing operations to their respective most directly comparable GAAP financial measures, net income from continuing operations and diluted EPS, is unavailable to AZZ without unreasonable effort because management cannot predict with reasonable certainty all of the necessary components of GAAP net income from continuing operations (such as income taxes, interest expense, unusual or significant gains and losses, acquisition related expenses, net gains or losses on investments in equity securities and potential future asset impairments). These items are uncertain, depend on various factors, and could have a material impact on net income from continuing operations and diluted EPS from continuing operations for the relevant periods. We, therefore, do not present a guidance range for, or a reconciliation to, the nearest GAAP financial measures of net income from continuing operations or diluted EPS from continuing operations.*

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