Ampco-Pittsburgh Corporation

Second Quarter 2026 Earnings Results Conference Call

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CORPORATE PARTICIPANTS

Kimberly Knox--*Corporate Secretary*

Brett McBrayer--*Chief Executive Officer*

David Anderson--*Chief Financial Officer, Vice President and Treasurer; President, Air & Liquid Systems Corporation*

Sam Lyon--*President, Union Electric Steel Corporation*

PRESENTATION

Operator
Welcome to the Ampco-Pittsburgh Corporation Second Quarter 2026 Earnings Results Conference Call. [Operator Instructions] Please note, this event is being recorded.

I'd now like to turn the conference over to Kim Knox, Corporate Secretary. Please go ahead.

Kimberly Knox
Thank you, Megan, and good morning to everyone joining us on today's second quarter 2026 conference call. Joining me today are Brett McBrayer, our Chief Executive Officer; and David Anderson, Vice President, Chief Financial Officer and President of Air & Liquid Systems Corporation. Also joining us on the call today is Sam Lyon, President of Union Electric Steel Corporation.

Before we begin, I would like to remind everyone that participants on this call may make statements or comments that are forward-looking and may include financial projections or other statements of the corporation's plans, objectives, expectations or intentions. These matters involve certain risks and uncertainties, many of which are outside the corporation's control. The corporation's actual results may differ significantly from those projected or suggested in any forward-looking statements due to various risk factors, including those discussed in the corporation's most recently filed Form 10-K and in subsequent filings with the Securities and Exchange Commission.

We do not undertake any obligation to update or otherwise release publicly any revision to our forward-looking statements. A replay of this call will be posted on our website later today. To access the earnings release or the webcast replay, please consult the Investors section of our website at ampcopgh.com.

With that, I'd like to turn the call over to Brett McBrayer, Ampco-Pittsburgh's CEO. Brett?

Brett McBrayer
Thank you, Kim. Good morning, and thank you for joining us. The second quarter marked a clear turning point for Ampco-Pittsburgh. Net income was $1.5 million, or $0.07 per share compared to a net loss of $7.3 million or a loss of $0.36 per share in the prior year period. Adjusted EBITDA of $9.8 million improved 22% versus prior year, with margin expanding 240 basis points to 9.5% on net sales of $102.9 million.

Just as important, demand across both segments is accelerating. Customer orders of approximately $144 million were up 50% versus prior year, and backlog grew $39.9 million from the first quarter to $385.4 million. Air & Liquid delivered record results, and the actions we took in Forged and Cast Engineered Products, including the closure of our UK facility, are now flowing through to the bottom line.

I'll now turn the call over to David Anderson, our Chief Financial Officer and President of Air & Liquid Systems to discuss the Air & Liquid segment.

David Anderson
Thank you, Brett. Good morning. 2026 continues to be a positive year for Air & Liquid. Q2 revenue was comparable with prior year, while year-to-date revenue increased 9% versus prior year. Adjusted EBITDA in Q2 increased 34% versus prior year as improved manufacturing

efficiencies led to significant margin improvement. Year-to-date adjusted EBITDA increased 43% versus prior year as increased revenue, improved manufacturing efficiencies and positive product mix drove adjusted EBITDA to the highest level in Air & Liquid's history.

Backlog increased $23.3 million or 16% in the quarter as customer demand continued to drive order activity to record levels. Backlog is 39% higher than year-end 2025. Data centers are causing increasing demand in the power generation market, which is fueling demand in both our commercial pump and nuclear heat exchanger products. Our commercial pumps are used in gas turbines, which are seeing strong growth, while we continue to be the dominant supplier of heat exchangers into the growing nuclear market.

There continues to be strong demand from the U.S. Navy, and we expect this demand to continue as the Navy moves forward with fleet expansion plans. The manufacturing equipment installed in 2024 has already increased manufacturing capacity for our pump product line, and there is more capacity expansion in process. Additional manufacturing equipment from the Navy funding program arrived at our facility in early 2026 and is expected to begin producing products in the second half of 2026. More equipment from the Navy funding program just arrived at the end of July. All of this equipment will position us to meet the long-term growth in this market.

Demand for custom air handlers remains strong as there continues to be significant demand in the pharmaceutical and health care markets for our custom air handling products.

With rising market demand and an increasing backlog, we continue to focus on increasing our manufacturing capacity. We are bringing in new equipment, increasing our headcount, and improving our manufacturing efficiencies in order to meet the increasing demand. In summary, it was a great first half of 2026, and we are well positioned in markets that are showing significant long-term growth.

Brett McBrayer
Thank you, David. Sam Lyon, President of the Forged and Cast Engineered Products segment, will now share more details regarding his group's performance.

Sam Lyon
Thank you, Brett, and good morning, everyone. For the second quarter of 2026, the Forged and Cast Engineered Products segment reported net sales of $67.3 million compared to $77.9 million in Q2 of 2025. Nearly all of that decline came from the exit from both our UK facility and our AUP distribution business.

Segment adjusted EBITDA of $7.8 million increased 15% compared to the prior year and 36% sequentially. The timing items that affected Q1 reversed as expected. Large roll shipments in the U.S. recovered, higher-cost inventory from late 2025 flowed through the P&L, and Sweden returned to profitability due to improved productivity and utilization.

Demand is improved, particularly in North America. Tariff protections have reduced imports and lifted U.S. steel mill utilization, thereby increasing the number of rolls consumed. FEP orders and margins have also improved. Our backlog grew from year-end on orders for the second half of 2026 and 2027, and the market consolidation we discussed last quarter is presenting us with opportunities for additional business.

Looking ahead, the third quarter will reflect our normal annual maintenance outage in the U.S. and the summer shutdowns in Europe. Despite these normal seasonal outages, we expect the second half of the year to be significantly stronger than the first half, and we continue to be optimistic about 2027. Brett, back to you.

Brett McBrayer
Thank you, Sam. I will now turn the call back over to David Anderson, our Chief Financial Officer, for more details regarding our financial performance for the quarter.

David Anderson
Thank you, Brett. As indicated in both our Form 10-Q and in our press release 8-K filed this morning, Ampco-Pittsburgh reported Q2 net sales of $102.9 million compared to $113.1 million in the prior year, primarily reflecting the closure of the UK cast roll facility in the second half of 2025.

Year-to-date revenue was $211.2 million compared to $217.4 million as the closure of the UK facility was partially offset by higher sales in the ALP segment. Q2 adjusted EBITDA of $9.8 million increased 22% compared to prior year and 22% sequentially compared to Q1 of 2026.

Q2 backlog increased 12% as order activity was strong in both segments. Total selling and administrative expenses were relatively flat compared to prior year for both Q2 and year-to-date.

Depreciation and amortization expense was lower than prior year by approximately $0.5 million in Q2 and $0.9 million year-to-date, primarily due to the closure of the UK facility in 2025.

Other (expense) income-net improved in Q2 and year-to-date, primarily due to lower loss on foreign exchange, which was partially offset by lower pension income, which was principally attributable to the U.S. defined benefit plan reaching a fully funded status in early 2026, resulting in a change in its investment strategies to a more conservative portfolio.

At June 30, 2026, the corporation's liquidity position included cash on hand of $7 million and undrawn availability on our revolving credit facility of $29 million. In summary, Q2 was significantly stronger than prior year, and sequentially, Q2 showed strong improvement versus Q1 of this year as the impact from the UK facility closure begins to positively impact results.

Operator, at this time, we would now like to open the line for questions.

QUESTION AND ANSWER

Operator
We will now begin the question-and-answer session. [Operator Instructions] There are no questions at this time. I would like to turn the conference back over to Brett McBrayer for any closing remarks.

Conclusion

Brett McBrayer
Thank you, Megan. In closing, I want to thank our employees whose efforts drove this quarter's results. The second quarter shows what this company looks like with our restructuring behind us and demand building in every market we serve, from power generation in the U.S. Navy to a strengthening North American roll market. While the third quarter reflects our normal summer maintenance outages, we expect a significantly stronger second half of 2026. Thank you to our

Board of Directors and our shareholders for your continued support, and thank you for joining us this morning.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.