



H.B. Fuller

Second Quarter 2025 Conference Call

June 26, 2025



Disclosure

Safe Harbor Statement

Certain matters discussed today are forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements reflect our current expectations, and actual results may differ as they are subject to the kinds of risks that are enumerated in the Company's Securities and Exchange Commission (SEC) filings. The Company disclaims any obligation to subsequently revise any forward-looking statements to reflect actual events or circumstances after the date of such statements.

Regulation G

The information presented in this presentation regarding adjusted gross profit and margin, adjusted selling, general and administrative expense, consolidated and segment organic revenue, adjusted income before income taxes and income from equity investments, adjusted income taxes, adjusted effective tax rate, adjusted net income, adjusted diluted earnings per share, and adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted EBITDA margin, net debt, and net-debt-to-adjusted-EBITDA margin does not conform to U.S. generally accepted accounting principles (U.S. GAAP) and should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Management has included this non-GAAP information to assist in understanding the operating performance of the company and its operating segments as well as the comparability of results to the results of other companies. The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP information is reconciled with reported U.S. GAAP results in the "Regulation G Reconciliation" tables except for our forward-looking non-U.S. GAAP measures contained in our fiscal 2025 financial guidance, which the company cannot reconcile to forward-looking U.S. GAAP results without unreasonable effort.

Additional Information

Please refer to our annual report on Form 10-K, filed with the SEC, and available on our website at www.investors.hbfuller.com.



Second Quarter Highlights

**Adjusted EBITDA and
Adjusted EPS
Up 5% YOY**

**Adjusted Gross Margin
Up 110 bps to 32.2%**

**Increased Full-Year 2025
Adjusted EBITDA and Adjusted
EPS Guidance**



Gross margin was 32.2%, up 110 bps versus last year driven by cost savings, the impact of acquisitions and divestitures, and targeted pricing actions



Adjusting for the net impact of acquisitions and divestitures, adjusted SG&A was flat YOY, reflecting strong expense management



Adjusted EBITDA margin was 18.4%, up 130 bps YOY



Raising our full-year outlook to reflect our strong execution

Global Business Unit Update

Hygiene, Health, and Consumable Adhesives



- **Organic revenue up 1.7% YOY driven by positive volume and price**
- Strength in Medical and Flexible Packaging was partially offset by weakness in End-of-Line Packaging and Beverage Labeling
- Adjusted EBITDA margin of 15.6% was up nearly 300 bps versus Q1, reflecting seasonally higher volume and increasing pricing momentum

Engineering Adhesives



- Organic revenue declined 0.4%, up ~2% excluding Solar
- Strength in transportation-related end markets, particularly in Automotive, was offset by continued weakness in Solar
- **Adjusted EBITDA margin increased 310 bps YOY to 22.9%**
- Favorable net pricing and raw material actions, cost savings, and the contribution from acquisitions drove the increase in adjusted EBITDA margin YOY

Building Adhesive Solutions



- Organic sales decreased 0.9% YOY, as continued strength in Roofing was offset by weakness in the residential construction market
- **Adjusted EBITDA increased 5% YOY and adjusted EBITDA margin expanded 60 bps YOY to 16.7%**
- Favorable net pricing and raw material actions and cost savings drove the improvement in adjusted EBITDA margin YOY





Regional Perspective

Americas

- Organic revenue up **2%** YOY
- Strength in Roofing, Flexible Packing, and Medical principally drove the sales development in the region

EIMEA

- Organic revenue decreased **2%** YOY
- Strong performance in our Hygiene business was offset by weak demand in our construction-related end-markets

Asia-Pacific

- Organic revenue **up slightly** YOY
- Strong performance in transportation-related markets was offset by slower results in Electronics and Solar

Q2 Financial Summary

- Organic revenue was up **0.4%** YOY
- Adjusted gross profit margin was **32.2%**, up **110 bps** YOY
- Adjusted SG&A was up **2%** YOY, flat ex. M&A
- Adjusted EBITDA was up **5%** YOY to **\$166M**
- Adjusted EPS of **\$1.18** was up **5%** verses Q2 2024, driven by higher adjusted net income and lower shares outstanding
- Operating cash flow increased **\$29M** YOY to **\$111M**
- Net-debt-to-EBITDA decreased sequentially from **3.5X** to **3.4X**, reflecting growth in EBITDA and lower debt balances
- Repurchased **300K shares**, bringing YTD total to **1M**

Q2 2025 Financial Guidance Update

Revenue

- Expect FY 2025 net revenue to be down **2% to 3%**
- Expect FY 2025 organic revenue to be **flat to up 2%** YOY

Adjusted EBITDA

- Expect FY 2025 adjusted EBITDA to be in the range of **\$615M to \$630M** representing a **4% to 6%** increase YOY

Adjusted EPS

- Expect FY 2025 Adjusted EPS to be in the range of **\$4.10 to \$4.30** representing growth of **7% to 12%** YOY
- Expect fully diluted shares outstanding for fiscal 2025 to be in the range of **55M to 56M**

Operating Cash Flow

- Expect full-year operating cash flow to be between **\$300M to \$325M**

Q3 Adjusted EBITDA

- Expect Q3 EBITDA to be in the range of **\$165M to \$175M**



Customer Innovation Awards 2025

PRESENTED TO



Sustainability at H.B. Fuller

- Our 2024 Sustainability Report is now live, learn more on our website
- Recognized as One of the World's Greenest Companies 2025 by *Newsweek*





Summary

Continue to make sustained progress toward our 20%+ EBITDA margin target and are confident that we will meaningfully expand margins YOY again in 2025

- Pleased with our strong first half performance and the momentum we carry into the second half of the year
- Despite ongoing economic uncertainties, we are optimistic and encouraged by our team's strong execution



Q&A Session



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INFORMATION
In thousands, except per share amounts (unaudited)

	Three Months Ended May 31, 2025	Percent of Net Revenue	Three Months Ended June 1, 2024	Percent of Net Revenue
Net revenue	\$ 898,095	100.0%	\$ 917,107	100.0%
Cost of sales	(611,711)	(68.1)%	(635,055)	(69.3)%
Gross profit	286,384	31.9%	282,052	30.8%
Selling, general and administrative expenses	(186,340)	(20.7)%	(181,456)	(19.8)%
Other income, net	7,141	0.8%	3,634	0.4%
Interest expense	(34,865)	(3.9)%	(32,314)	(3.5)%
Interest income	854	0.1%	1,199	0.1%
Income before income taxes and income from equity method investments	73,174	8.1%	73,115	8.0%
Income taxes	(32,726)	(3.6)%	(22,418)	(2.4)%
Income from equity method investments	1,397	0.2%	600	0.1%
Net income including non-controlling interest	41,845	4.7%	51,297	5.6%
Net income attributable to non-controlling interest	(17)	(0.0)%	(33)	(0.0)%
Net income attributable to H.B. Fuller	\$ 41,828	4.7%	\$ 51,264	5.6%
Basic income per common share attributable to H.B. Fuller	\$ 0.77		\$ 0.93	
Diluted income per common share attributable to H.B. Fuller	\$ 0.76		\$ 0.91	
Weighted-average common shares outstanding:				
Basic	54,443		54,946	
Diluted	54,952		56,636	



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INFORMATION
In thousands, except per share amounts (unaudited)

	Six Months Ended May 31, 2025	Percent of Net Revenue	Six Months Ended June 1, 2024	Percent of Net Revenue
Net revenue	\$ 1,686,758	100.0%	\$ 1,727,525	100.0%
Cost of sales	(1,173,299)	(69.6)%	(1,206,237)	(69.8)%
Gross profit	513,459	30.4%	521,288	30.2%
Selling, general and administrative expenses	(366,968)	(21.8)%	(353,817)	(20.5)%
Other income, net	10,347	0.6%	5,135	0.3%
Interest expense	(66,906)	(4.0)%	(64,216)	(3.7)%
Interest income	1,954	0.1%	2,506	0.1%
Income before income taxes and income from equity method investments	91,886	5.4%	110,896	6.4%
Income taxes	(38,671)	(2.3)%	(30,231)	(1.7)%
Income from equity method investments	1,894	0.1%	1,644	0.1%
Net income including non-controlling interest	55,109	3.3%	82,309	4.8%
Net income attributable to non-controlling interest	(33)	(0.0)%	(54)	(0.0)%
Net income attributable to H.B. Fuller	<u>\$ 55,076</u>	<u>3.3%</u>	<u>\$ 82,255</u>	<u>4.8%</u>
Basic income per common share attributable to H.B. Fuller	\$ 1.01		\$ 1.50	
Diluted income per common share attributable to H.B. Fuller	\$ 0.99		\$ 1.45	
Weighted-average common shares outstanding:				
Basic	54,721		54,824	
Diluted	55,490		56,604	



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES
REGULATION G RECONCILIATION
In thousands, except per share amounts (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Net income attributable to H.B. Fuller	\$ 41,828	\$ 51,264	\$ 55,076	\$ 82,255
Adjustments:				
Acquisition project costs ¹	3,602	1,467	13,430	3,510
Organizational realignment ²	6,635	7,275	15,409	14,536
Project One ³	2,581	2,845	5,646	6,058
Other	44	914	44	914
Discrete tax items ⁴	13,961	1,317	14,952	(1,210)
Income tax effect on adjustments ⁶	<u>(3,999)</u>	<u>(1,558)</u>	<u>(9,907)</u>	<u>(4,848)</u>
Adjusted net income attributable to H.B. Fuller ⁶	64,652	63,524	94,650	101,215
Add:				
Interest expense	34,484	32,313	66,514	64,215
Interest income	(854)	(1,197)	(1,954)	(2,504)
Adjusted Income taxes	22,765	22,658	33,626	36,289
Depreciation and Amortization expense ⁷	<u>44,613</u>	<u>39,952</u>	<u>87,180</u>	<u>81,053</u>
Adjusted EBITDA ⁶	165,660	157,250	280,016	280,268
Diluted Shares	54,952	56,636	55,490	56,604
Adjusted diluted income per common share attributable to H.B. Fuller ⁶	<u>\$ 1.18</u>	<u>\$ 1.12</u>	<u>\$ 1.71</u>	<u>\$ 1.79</u>
Revenue	\$ 898,095	\$ 917,107	\$ 1,686,758	\$ 1,727,525
Adjusted EBITDA margin ⁶	18.4%	17.1%	16.6%	16.2%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES

SEGMENT FINANCIAL INFORMATION

In thousands (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Net Revenue:				
Hygiene, Health and Consumable Adhesives	\$ 397,475	\$ 393,313	\$ 765,700	\$ 761,391
Engineering Adhesives	276,418	257,613	513,177	483,688
Building Adhesive Solutions	224,202	222,484	407,881	402,150
Corporate unallocated	-	43,697	-	80,296
Total H.B. Fuller	<u>\$ 898,095</u>	<u>\$ 917,107</u>	<u>\$ 1,686,758</u>	<u>\$ 1,727,525</u>
Segment Operating Income (Loss):				
Hygiene, Health and Consumable Adhesives	\$ 43,401	\$ 49,840	\$ 73,349	\$ 97,233
Engineering Adhesives	46,977	38,987	75,028	64,807
Building Adhesive Solutions	22,114	21,987	28,691	29,126
Corporate unallocated	(12,448)	(10,219)	(30,577)	(23,695)
Total H.B. Fuller	<u>\$ 100,044</u>	<u>\$ 100,595</u>	<u>\$ 146,491</u>	<u>\$ 167,471</u>
Adjusted EBITDA⁶				
Hygiene, Health and Consumable Adhesives	\$ 61,963	\$ 64,677	\$ 108,854	\$ 127,540
Engineering Adhesives	63,341	51,110	107,529	89,312
Building Adhesive Solutions	37,535	35,863	59,337	57,273
Corporate unallocated	2,821	5,600	4,296	6,143
Total H.B. Fuller	<u>\$ 165,660</u>	<u>\$ 157,250</u>	<u>\$ 280,016</u>	<u>\$ 280,268</u>
Adjusted EBITDA Margin⁶				
Hygiene, Health and Consumable Adhesives	15.6%	16.4%	14.2%	16.8%
Engineering Adhesives	22.9%	19.8%	21.0%	18.5%
Building Adhesive Solutions	16.7%	16.1%	14.5%	14.2%
Corporate unallocated	0.0%	12.8%	NMP	NMP
Total H.B. Fuller	<u>18.4%</u>	<u>17.1%</u>	<u>16.6%</u>	<u>16.2%</u>

NMP = non-meaningful percentage



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES REGULATION G RECONCILIATION In thousands, except per share amounts (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Income before income taxes and income from equity method investments	\$ 73,174	\$ 73,115	\$ 91,886	\$ 110,896
Adjustments:				
Acquisition project costs ¹	3,602	1,467	13,430	3,510
Organizational realignment ²	6,635	7,275	15,409	14,536
Project One ³	2,581	2,845	5,646	6,058
Other	44	914	44	914
Adjusted income before income taxes and income from equity method investments ⁸	<u>\$ 86,036</u>	<u>\$ 85,616</u>	<u>\$ 126,415</u>	<u>\$ 135,914</u>

H.B. FULLER COMPANY AND SUBSIDIARIES REGULATION G RECONCILIATION In thousands, except per share amounts (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Income Taxes	\$ (32,726)	\$ (22,418)	\$ (38,671)	\$ (30,231)
Adjustments:				
Acquisition project costs ¹	(1,120)	(183)	(3,800)	(720)
Organizational realignment ²	(2,063)	(906)	(4,455)	(2,815)
Project One ³	(803)	(355)	(1,638)	(1,199)
Other	(14)	-	(14)	-
Discrete tax items ⁴	13,961	1,204	14,952	(1,324)
Adjusted income taxes ⁹	<u>\$ (22,765)</u>	<u>\$ (22,658)</u>	<u>\$ (33,626)</u>	<u>\$ (36,289)</u>
Adjusted income before income taxes and income from equity method investments	\$ 86,036	\$ 85,616	\$ 126,415	\$ 135,914
Adjusted effective income tax rate ⁹	26.5%	26.5%	26.6%	26.7%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES

REGULATION G RECONCILIATION

In thousands (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Net revenue	\$ 898,095	\$ 917,107	\$ 1,686,758	\$ 1,727,525
Gross profit	\$ 286,384	\$ 282,052	\$ 513,459	\$ 521,288
Gross profit margin	31.9%	30.8%	30.4%	30.2%
Adjustments:				
Acquisition project costs ¹	68	(8)	675	73
Organizational realignment ²	2,467	3,466	7,923	7,880
Project One ³	(94)	13	1	13
Adjusted gross profit ¹⁰	<u>\$ 288,825</u>	<u>\$ 285,523</u>	<u>\$ 522,058</u>	<u>\$ 529,254</u>
Adjusted gross profit margin ¹⁰	32.2%	31.1%	31.0%	30.6%

H.B. FULLER COMPANY AND SUBSIDIARIES

REGULATION G RECONCILIATION

In thousands (unaudited)

	Three Months Ended		Six Months Ended	
	May 31, 2025	June 1, 2024	May 31, 2025	June 1, 2024
Selling, general and administrative expenses	\$ (186,340)	\$ (181,456)	\$ (366,968)	\$ (353,817)
Adjustments:				
Acquisition project costs ¹	3,654	1,475	11,360	3,437
Organizational realignment ²	3,633	3,439	4,929	5,986
Project One ³	2,676	2,832	5,646	6,045
Other	44	914	44	914
Adjusted selling, general and administrative expenses ¹¹	<u>\$ (176,333)</u>	<u>\$ (172,796)</u>	<u>\$ (344,989)</u>	<u>\$ (337,435)</u>



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES REGULATION G RECONCILIATION

In thousands (unaudited)

Three Months Ended May 31, 2025	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Building Adhesive Solutions	Total	Corporate Unallocated	H.B. Fuller Consolidated
Net income attributable to H.B. Fuller	\$ 45,610	\$ 47,948	\$ 24,668	\$ 118,226	\$ (76,398)	\$ 41,828
Adjustments:						
Acquisition project costs ¹	-	-	-	-	3,602	3,602
Organizational realignment ²	-	-	-	-	6,635	6,635
Project One ³	-	-	-	-	2,581	2,581
Other	-	-	-	-	44	44
Discrete tax items ⁴	-	-	-	-	13,961	13,961
Income tax effect on adjustments ⁵	-	-	-	-	(3,999)	(3,999)
Adjusted net income attributable to H.B. Fuller ⁶	45,610	47,948	24,668	118,226	(53,574)	64,652
Add:						
Interest expense	-	-	-	-	34,484	34,484
Interest income	-	-	-	-	(854)	(854)
Adjusted Income taxes	-	-	-	-	22,765	22,765
Depreciation and amortization expense ⁷	16,353	15,393	12,867	44,613	-	44,613
Adjusted EBITDA ⁶	\$ 61,963	\$ 63,341	\$ 37,535	\$ 162,839	\$ 2,821	\$ 165,660
Revenue	\$ 397,475	\$ 276,418	\$ 224,202	\$ 898,095	-	\$ 898,095
Adjusted EBITDA Margin ⁶	15.6%	22.9%	16.7%	18.1%	NMP	18.4%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES REGULATION G RECONCILIATION

In thousands (unaudited)

Six Months Ended May 31, 2025	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Building Adhesive Solutions	Total	Corporate Unallocated	H.B. Fuller Consolidated
Net income attributable to H.B. Fuller	\$ 77,771	\$ 76,970	\$ 33,799	\$ 188,540	\$ (133,464)	\$ 55,076
Adjustments:						
Acquisition project costs ¹	-	-	-	-	13,430	13,430
Organizational realignment ²	-	-	-	-	15,409	15,409
Project One ³	-	-	-	-	5,646	5,646
Other	-	-	-	-	44	44
Discrete tax items ⁴	-	-	-	-	14,952	14,952
Income tax effect on adjustments ⁵	-	-	-	-	(9,907)	(9,907)
Adjusted net income attributable to H.B. Fuller ⁶	77,771	76,970	33,799	188,540	(93,890)	94,650
Add:						
Interest expense	-	-	-	-	66,514	66,514
Interest income	-	-	-	-	(1,954)	(1,954)
Adjusted Income taxes	-	-	-	-	33,626	33,626
Depreciation and amortization expense ⁷	31,083	30,559	25,538	87,180	-	87,180
Adjusted EBITDA ⁶	\$ 108,854	\$ 107,529	\$ 59,337	\$ 275,720	\$ 4,296	\$ 280,016
Revenue	765,700	513,177	407,881	1,686,758	-	1,686,758
Adjusted EBITDA Margin ⁶	14.2%	21.0%	14.5%	16.3%	NMP	16.6%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES REGULATION G RECONCILIATION In thousands (unaudited)

Three Months Ended June 1, 2024	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Building Adhesive Solutions	Total	Corporate Unallocated	H.B. Fuller Consolidated
Net income attributable to H.B. Fuller	\$ 51,336	\$ 39,643	\$ 23,816	\$114,795	\$ (63,531)	\$ 51,264
Adjustments:						
Acquisition project costs ¹	-	-	-	-	1,467	1,467
Organizational realignment ²	-	-	-	-	7,275	7,275
Project One ³	-	-	-	-	2,845	2,845
Other	-	-	-	-	914	914
Discrete tax items ⁴	-	-	-	-	1,317	1,317
Income tax effect on adjustments ⁵	-	-	-	-	(1,558)	(1,558)
Adjusted net income attributable to H.B. Fuller ⁶	51,336	39,643	23,816	114,795	(51,271)	63,524
Add:						
Interest expense	-	-	-	-	32,313	32,313
Interest income	-	-	-	-	(1,197)	(1,197)
Adjusted Income taxes	-	-	-	-	22,658	22,658
Depreciation and amortization expense ⁷	13,341	11,467	12,047	36,855	3,097	39,952
Adjusted EBITDA ⁶	<u>\$ 64,677</u>	<u>\$ 51,110</u>	<u>\$ 35,863</u>	<u>\$151,650</u>	<u>\$ 5,600</u>	<u>\$ 157,250</u>
Revenue	\$ 393,313	\$ 257,613	\$ 222,484	\$873,410	43,697	\$ 917,107
Adjusted EBITDA Margin ⁶	16.4%	19.8%	16.1%	17.4%	12.8%	17.1%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES

REGULATION G RECONCILIATION

In thousands (unaudited)

Six Months Ended June 1, 2024	Hygiene, Health and Consumable Adhesives	Engineering Adhesives	Building Adhesive Solutions	Total	Corporate Unallocated	H.B. Fuller Consolidated
Net income attributable to H.B. Fuller	\$ 100,224	\$ 66,119	\$ 32,783	\$ 199,126	\$ (116,871)	\$ 82,255
Adjustments:						
Acquisition project costs ¹	-	-	-	-	3,510	3,510
Organizational realignment ²	-	-	-	-	14,536	14,536
Project One ³	-	-	-	-	6,058	6,058
Other	-	-	-	-	914	914
Discrete tax items ⁴	-	-	-	-	(1,210)	(1,210)
Income tax effect on adjustments ⁵	-	-	-	-	(4,848)	(4,848)
Adjusted net income attributable to H.B. Fuller ⁶	100,224	66,119	32,783	199,126	(97,911)	101,215
Add:						
Interest expense	-	-	-	-	64,215	64,215
Interest income	-	-	-	-	(2,504)	(2,504)
Adjusted Income taxes	-	-	-	-	36,289	36,289
Depreciation and amortization expense ⁷	27,316	23,193	24,490	74,999	6,054	81,053
Adjusted EBITDA ⁶	\$ 127,540	\$ 89,312	\$ 57,273	\$ 274,125	\$ 6,143	\$ 280,268
Revenue	\$ 761,391	\$ 483,688	\$ 402,150	\$ 1,647,229	80,296	\$ 1,727,525
Adjusted EBITDA Margin ⁶	16.8%	18.5%	14.2%	16.6%	NMP	16.2%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES SEGMENT FINANCIAL INFORMATION NET REVENUE GROWTH (DECLINE) (unaudited)

	Three Months Ended May 31, 2025	Six Months Ended May 31, 2025
Price	0.7%	0.5%
Volume	(0.3)%	0.5%
Organic Growth ¹²	0.4%	1.0%
M&A	(1.3)%	(1.2)%
Constant currency	(0.9)%	(0.2)%
F/X	(1.2)%	(2.2)%
Total H.B. Fuller Net Revenue	(2.1)%	(2.4)%

Revenue growth versus 2024

Three Months Ended May 31, 2025

	Net Revenue	F/X	Constant Currency	M&A	Organic Growth ¹²
Hygiene, Health and Consumable Adhesives	1.1%	(2.1)%	3.2%	1.4%	1.8%
Engineering Adhesives	7.3%	(0.7)%	8.0%	8.4%	(0.4)%
Building Adhesive Solutions	0.8%	(0.5)%	1.3%	2.2%	(0.9)%
Corporate Unallocated ¹³	(100.0)%	0.0%	(100.0)%	(100.0)%	0.0%
Total H.B. Fuller	(2.1)%	(1.2)%	(0.9)%	(1.3)%	0.4%

Revenue growth versus 2024

Six Months Ended May 31, 2025

	Net Revenue	F/X	Constant Currency	M&A	Organic Growth ¹²
Hygiene, Health and Consumable Adhesives	0.6%	(3.5)%	4.1%	1.2%	2.9%
Engineering Adhesives	6.1%	(1.4)%	7.5%	8.5%	(1.0)%
Building Adhesive Solutions	1.4%	(1.4)%	2.8%	2.3%	0.5%
Corporate Unallocated ¹³	(100.0)%	0.0%	(100.0)%	(100.0)%	0.0%
Total H.B. Fuller	(2.4)%	(2.2)%	(0.2)%	(1.2)%	1.0%



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES

REGULATION G RECONCILIATION

In thousands (unaudited)

	Three Months Ended				Trailing Twelve Months ¹⁸ Ended
	August 31, 2024	November 30, 2024	March 1, 2025	May 31, 2025	May 31, 2025
Net income attributable to H.B. Fuller	\$ 55,361	\$ (7,359)	\$ 13,248	\$ 41,828	\$ 103,078
Adjustments:					
Acquisition project costs ¹	3,474	4,051	9,828	3,602	20,955
Organizational realignment ²	9,471	15,958	8,774	6,635	40,838
Project One ³	3,154	2,672	3,064	2,581	11,471
Business divestiture ¹⁴	-	47,267	-	-	47,267
Other ¹⁵	(2,904)	39	-	44	(2,821)
Discrete tax items ¹⁶	(2,937)	(1,322)	992	13,961	10,694
Income tax effect on adjustments ⁵	(1,624)	(9,339)	(5,909)	(3,999)	(20,871)
Adjusted net income attributable to H.B. Fuller ⁶	63,995	51,967	29,997	64,652	210,611
Add:					
Interest expense	35,287	33,621	32,030	34,484	135,422
Interest income	(1,090)	(1,084)	(1,100)	(854)	(4,128)
Adjusted Income taxes	22,825	18,546	10,862	22,765	74,997
Depreciation and Amortization expense ¹⁷	44,235	45,286	42,567	44,613	176,701
Adjusted EBITDA ⁶	<u>\$ 165,252</u>	<u>\$ 148,336</u>	<u>\$ 114,356</u>	<u>\$ 165,660</u>	<u>\$ 593,604</u>



Regulation G Reconciliations

H.B. FULLER COMPANY AND SUBSIDIARIES

REGULATION G RECONCILIATION

In thousands (unaudited)

	<u>May 31, 2025</u>	<u>March 1, 2025</u>	<u>June 1, 2024</u>
Total debt	\$ 2,112,428	\$ 2,179,997	\$ 2,024,916
Less: Cash and cash equivalents	96,785	105,743	114,823
Net debt ¹⁹	<u>\$ 2,015,643</u>	<u>\$ 2,074,254</u>	<u>\$ 1,910,093</u>
Trailing twelve months ¹⁸ / Year ended Adjusted EBITDA	\$ 593,604	\$ 585,194	\$ 608,668
Net Debt-to-Adjusted EBITDA ¹⁹	3.4	3.5	3.1

	<u>May 31, 2025</u>	<u>June 1, 2024</u>	<u>November 30, 2024</u>
Trade receivables, net	\$ 584,026	\$ 571,134	\$ 558,336
Inventory	495,588	496,085	467,498
Trade payables	481,957	474,095	491,435
Net working capital ²⁰	<u>\$ 597,657</u>	<u>\$ 593,124</u>	<u>\$ 534,399</u>
Net revenue three months ended	\$ 898,095	\$ 917,107	
Annualized net revenue ²⁰	3,592,379	3,668,428	
Net working capital as a percentage of annualized revenue ²⁰	16.6%	16.2%	



Regulation G Reconciliations

¹ Acquisition project costs include costs related to evaluating, acquiring and integrating business acquisitions. Acquisition project costs include \$3,708 and \$1,385 in transaction costs (primarily consulting and professional fees, representations and warranties insurance premiums and employee acquisition-related travel expenses) and (\$106) and \$41 in purchase accounting costs (primarily professional fees for valuation services, inventory step-up cost and the impact of changes to contingent consideration liabilities after the completion of the purchase price allocation) and \$0 and \$41 in business integration costs (primarily costs of transition services agreements) for the three months ended May 31, 2025 and June 1, 2024, respectively. Acquisition project costs include \$12,900 and \$2,678 in transaction costs (primarily consulting and professional fees, representations and warranties insurance premiums and employee acquisition-related travel expenses) and \$530 and \$255 in purchase accounting costs (primarily professional fees for valuation services, inventory step-up cost and the impact of changes to contingent consideration liabilities after the completion of the purchase price allocation) and \$0 and \$577 in business integration costs (primarily costs of transition services agreements and for the three months ended March 2, 2024, retention bonuses paid to employees of the acquired entities) for the six months ended May 31, 2025 and June 1, 2024, respectively.

² Organizational realignment includes costs incurred as a direct result of the organizational realignment program, including professional fees related to legal entity and business structure changes, employee retention and severance costs, and facility rationalization costs related to the closure of production facilities and consolidation of business activities. Facility rationalization costs include plant closure costs, the impact of accelerated depreciation and for the three months ended March 2, 2024, operational inefficiencies. Organizational realignment includes \$1,176 and \$2,246 in professional fees related to legal entity and business structure changes, \$3,320 and \$2,252 in employee severance and other related costs, and \$2,138 and \$2,777 related to facility rationalization costs for the three months ended May 31, 2025 and June 1, 2024, respectively. Organizational realignment includes \$3,416 and \$3,869 in professional fees related to legal entity and business structure changes, \$4,492 and \$4,426 in employee severance and other related costs, and \$7,500 and \$6,241 related to facility rationalization costs for the six months ended May 31, 2025 and June 1, 2024, respectively.

³ Project One includes non-capitalizable project costs related to implementing our global Enterprise Resource Planning system, including upgrading to SAP S/4HANA®, which has upgraded and standardized our information system.

⁴ Discrete tax items for the three and six months ended May 31, 2025 are primarily related to the impact of withholding tax recorded on earnings that are no longer permanently reinvested, as well as other various U.S. and foreign tax matters. Discrete tax items for the three and six months ended June 1, 2024 are related to various foreign tax matters as well as excess tax benefit related to U.S. stock compensation.

⁵ The income tax effect on adjustments represents the difference between income taxes on net income before income taxes and income from equity method investments reported in accordance with U.S. GAAP and adjusted net income before income taxes and income from equity method investments.

⁶ Adjusted net income attributable to H.B. Fuller, adjusted diluted income per common share attributable to H.B. Fuller, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. Adjusted net income attributable to H.B. Fuller is defined as net income before the specific adjustments shown above. Adjusted diluted income per common share is defined as adjusted net income attributable to H.B. Fuller divided by the number of diluted common shares. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation, amortization and the specific adjustments shown above. Adjusted EBITDA margin is defined as adjusted EBITDA divided by net revenue. The table above provides a reconciliation of adjusted net income attributable to H.B. Fuller, adjusted diluted income per common share attributable to H.B. Fuller, adjusted EBITDA and adjusted EBITDA margin to net income attributable to H.B. Fuller, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

⁷ Depreciation and amortization expense added back for EBITDA is adjusted for amounts already included in adjusted net income attributable to H.B. Fuller totaling (\$70) and (\$1,198) for the three months ended May 31, 2025 and June 1, 2024, respectively and. (\$100) and (\$3,620) for the six months ended May 31, 2025 and June 1, 2024, respectively.

⁸ Adjusted income before income taxes and income from equity investments is a non-GAAP financial measure. Adjusted income before income taxes and income from equity investments is defined as income before income taxes and income from equity investments before the specific adjustments shown above. The table above provides a reconciliation of adjusted income before income taxes and income from equity investments to income before income taxes and income from equity investments, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

Regulation G Reconciliations

⁹ Adjusted income taxes and adjusted effective income tax rate are non-GAAP financial measures. Adjusted income taxes is defined as income taxes before the specific adjustments shown above. Adjusted effective income tax rate is defined as income taxes divided by adjusted income before income taxes and income from equity method investments. The table above provides a reconciliation of adjusted income taxes and adjusted effective income tax rate to income taxes, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

¹⁰ Adjusted gross profit and adjusted gross profit margin are non-GAAP financial measures. Adjusted gross profit and adjusted gross profit margin is defined as gross profit and gross profit margin excluding the specific adjustments shown above. The table above provides a reconciliation of adjusted gross profit and gross profit margin to gross profit and gross profit margin, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

¹¹ Adjusted selling, general and administrative expenses is a non-GAAP financial measure. Adjusted selling, general and administrative expenses is defined as selling, general and administrative expenses excluding the specific adjustments shown above. The table above provides a reconciliation of adjusted selling, general and administrative expenses to selling, general and administrative expenses, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

¹² We use the term “organic revenue” to refer to net revenue, excluding the effect of foreign currency changes and acquisitions and divestitures. Organic growth reflects adjustments for the impact of period-over-period changes in foreign currency exchange rates on revenues and the revenues associated with acquisitions and divestitures.

¹³ Corporate Unallocated includes revenue for the North America Flooring business for the six months ended June 1, 2024. This business was sold in the first quarter of 2025 and as a result all activity for prior years was moved to Corporate Unallocated.

¹⁴ Business divestiture for the three months and year ended November 30, 2024 includes impairment losses for goodwill and long-lived assets, and project costs incurred as a direct result of the pending sale of the North America Flooring business. Impairment losses represent the difference between the book value of the assets held for sale and their net realizable value.

¹⁵ Other includes a gain from insurance recoveries and a loss from the write-off of a cost method investment for the three months ended August 31, 2024 and the year ended November 30, 2024.

¹⁶ Discrete tax items for the three months ended August 31, 2024 are related to various foreign tax matters as well as excess tax benefit related to U.S. stock compensation. Discrete tax items for the three months ended November 30, 2024 are related to various foreign tax matters. Discrete tax items for the three months ended March 1, 2025 are related to various foreign tax matters. Discrete tax items for the three months ended May 31, 2025 are primarily related to the impact of withholding tax recorded on earnings that are no longer permanently reinvested, as well as other various U.S. and foreign tax matters.

¹⁷ Depreciation and amortization expense added back for EBITDA is adjusted for amounts already included in adjusted net income attributable to H.B. Fuller. Depreciation and amortization expense added back was \$194 for the three months ended August 31, 2024, (\$711) for the three months ended November 30, 2024, (\$30) for the three months ended March 1, 2025 and (\$70) for the three months ended May 31, 2025.

¹⁸ Trailing twelve months adjusted EBITDA is a non-GAAP financial measure and is defined as adjusted EBITDA for the twelve-month period ended on the date presented. The table above provides a reconciliation of trailing twelve month adjusted EBITDA to net income attributable to H.B. Fuller for the trailing twelve-month period presented, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

¹⁹ Net debt and net debt-to-adjusted EBITDA are non-GAAP financial measures. Net debt is defined as total debt less cash and cash equivalents. Net debt-to-adjusted EBITDA is defined as net debt divided by trailing twelve months adjusted EBITDA. The calculations of these non-GAAP financial measures are shown in the table above. The table above provides a reconciliation of each of these non-GAAP financial measures to total debt, the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

²⁰ Net working capital, annualized net revenue and net working capital as a percentage of annualized net revenue are non-GAAP financial measures. Net working capital is defined as trade receivables, net plus inventory less trade payables. Annualized net revenue is defined as net revenue for the three months ended on the date presented multiplied by four. Net working capital as a percentage of annualized net revenue is net working capital divided by annualized net revenue. The calculations of these non-GAAP financial measures are shown in the table above. The table above provides a reconciliation of each of these non-GAAP financial measures to the most directly comparable financial measure determined and reported in accordance with U.S. GAAP.

