

Investor Presentation September 2015



Somero Introduction



- The company has been in business for over 30 years
- Somero designs, assembles and sells Laser-guided capital equipment
- Our market segment is all types of Commercial and Industrial Buildings
- Direct sales and technical support in over 90 countries and growing
- Currently hold 55 patents
- We continue to launch new products (29 since inception)



S-22E

Nearly 100% Global Share of Laser Screeding Machine Market



Small domestic companies
to large multi nationals
Carrefour, B&Q etc...

End Markets

Warehousing
Commercial
Industrial
Schools

We have machines in over
90 countries and have
offices in 4 countries

Building Owner
Commissions project
requiring a level concrete
floor

Why buy from Somero

- To meet specification demands
- Reduce Risk
- **Increase productivity**
- Increase profitability

Somero's Customer
Small-to-medium sized
Concrete Contractors

Global Technical Support

- Provide industry knowledge
- **Jobsite field training and consulting**
- Machine maintenance/troubleshooting
- Next Day World Travel
- **Phone support 24/7 in 10 minutes**

New Business

Concrete contractors looking to increase
quality, productivity and profit by
replacing manual labor thru automation
with a Somero Laser Scred

Why a Flat & Level Floor is Important to Building Owners

- Building operational efficiency
- Physical Appearance
- Lower maintenance cost
- Lower forklift repair cost
- Future utilization needs



Is a quality floor really so important?

The concrete floor is an essential component of any building. The roof and walls of a building protect contents from outside elements, but the floor carries the load of the entire business operation. **It is now widely acknowledged that a concrete floor is the most critical component of any building.**

The floor is the base or the foundation from which all other trades start their work and, if improperly installed, will show in the finished product.

Products Geared Towards a Variety of Projects

Boomed Machines (48% of 2014 sales revenue)



S-22E



S-15R



Drive thru Concrete (16% of 2014 sales revenue)



Mini-Screed



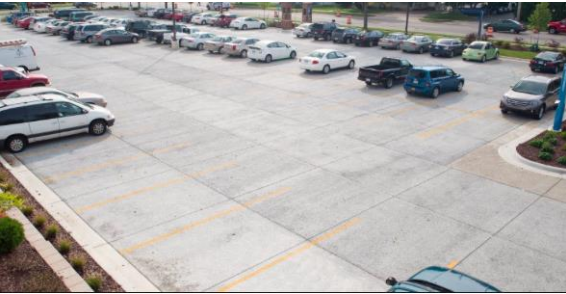
S-840



Copperhead



Product Offerings



3D Profiler System



Spare Parts



Remanufactured Products

Combined Total: 36% of 2014 sales revenue

Market Dynamics

	North America	Europe	China	India & SE Asia	ROW
Market Dynamics	<ul style="list-style-type: none"> Largest market Experienced strong recovery in prices and sales from 2010 	<ul style="list-style-type: none"> A recovering market Large market 2nd year of recovery Large installed base 	Total cement consumption is 30x larger than the US	<ul style="list-style-type: none"> Developing markets Small amount India's cement consumption is second only to China (3x USA) 	Middle East Latin America Australia
External Drivers of growth	<ul style="list-style-type: none"> Non – residential construction consumption outperformed estimates 2014 Moderate over coming years but still strong Expansion of Michigan facility to accommodate growth Skilled workers limited Aging fleet 	<ul style="list-style-type: none"> The recovery of the construction market across mainland Europe Solid growth in UK, Poland, Spain, Italy Large Multi Nationals Technology Upgrades Agricultural market Aging fleet Skilled workers limited 	<ul style="list-style-type: none"> Large multinationals moving into the region requiring western standards Chinese companies wanting western standards China Flooring Association has implemented US flatness and levelness in floor specifications Technology Upgrades 3rd Party Financing Skilled workers limited Low market penetration (< 1%) 	<ul style="list-style-type: none"> CFA (Concrete Floors Asia) conducts Industry seminars Mega Demonstrations Large Multi Nationals Market demand for quality floors Skilled workers limited Low market penetration (< 1%) 	<ul style="list-style-type: none"> CFA (Concrete Floors Asia) conducts Industry Seminars Large Multi Nationals Market demand for quality floors Skilled workers limited
Internal Drivers of growth	<ul style="list-style-type: none"> Prices are 40% above pre-recession levels Current sales \$37 Vs peak sales of \$40m Significant pent up demand, PCA forecast New Products 	<ul style="list-style-type: none"> New Products Talented Sales Team 5 Global Tech Reps 13 Independent Sales reps 	<ul style="list-style-type: none"> Company has invested in, staff and training Concrete College (end user) Specification Engineers New products 4,000 sq. meter Office/warehouse 	<ul style="list-style-type: none"> Increase of marketing efforts in region Drive Flooring Standards for quality floors New Products 	<ul style="list-style-type: none"> New products Direct Sales Presence
Building Owners	  	 	  	  	  

Sales by Region



<i>US\$ millions</i>	2013	2014	H1 2015
North America	\$25.5	\$37.2	\$24.1
China	6.6	9.5	3.3
Europe	3.0	3.6	1.9
India	-	0.6	0.1
ROW	10.0	8.4	5.9
Total	\$45.1	\$59.3	\$35.3

Financial Results



<i>(US\$ millions, except for dividends per share)</i>	FY 2011	FY 2012	FY 2013	FY 2014		Six months ended June 30, 2014	Six months ended June 30, 2015
Revenue	\$21.9	\$32.2	\$45.1	\$59.3		\$29.5	\$35.3
Gross Profit	10.2	15.7	23.5	32.0		16.2	19.4
Adjusted EBITDA ⁽¹⁾	0.9	4.2	9.0	15.0		7.4	9.5
Dividend per share	-	\$0.008	\$0.022	\$0.055		\$0.015	\$0.019
Gross Profit %	46.6%	48.8%	52.1%	54.0%		54.8%	55.0%
Adjusted EBITDA %	4.1%	13.0%	20.0%	25.3%		25.1%	26.9%

(1) – Adjusted EBITDA is a non-GAAP measure. See detailed reconciliation included in Somero’s financial reports.

EBITDA has grown at a 155% CAGR 2009-2014

- H1 2015 revenue up 20% vs. 2014 (large-line and new products)
- H1 2015 EBITDA % at a record 28%
- H1 2015 Gross Profit % up by 840 basis points vs. FY 2011
- FY 2015 EBITDA conversion rate of 36%

Financial Position



<i>(US\$ millions)</i>	FY 2011	FY 2012	FY 2013	FY 2014	Six months ended June 30, 2015
Cash and equivalents	\$0.1	\$1.2	\$6.0	\$8.0	\$10.1
Total debt	<u>4.8</u>	<u>3.1</u>	<u>2.6</u>	<u>1.3</u>	<u>1.1</u>
Net (debt) cash	(4.7)	(1.9)	3.4	6.6	9.0
Total assets	26.3	26.9	32.1	39.2	44.1
Operating cash flow	0.6	3.5	8.0	12.3	7.3

High level of cash flow generation; strong net cash position at June 30, 2015

- Net cash increased to \$9.0m at end of H1 2015
- Strong operating cash flow generation up 26% vs. H1 2014
- Strengthened balance sheet, total assets increased to \$44.1m at end of H1 2015

US sales momentum has carried forward into 2015 as a result of our new product introductions, such as the S-485, replacement demands on outdated technology, ongoing construction growth and project backlogs our customers are experiencing. This growth trajectory is expected to result in strong sales for 2015.

Particularly strong performance in the Middle East has positioned EMEA for growth compared to H1 2014, offsetting sluggishness in Russia and India. In addition, we are encouraged by improved activity in Europe.

Our markets in Southeast Asia experienced solid growth in H1 2015. However, China started the year slowly, resulting in trading in H1 2015 down in comparison to H1 2014. Somero continues to progress in developing brand awareness, providing education and training on the value of high-performance flat concrete floors, and finalizing third-party equipment financing options through the Bank of China. Our low penetration rate in China, combined with greater acceptance of flatness standards and customer willingness to use our products and services, indicates Somero has ample opportunity for growth going forward. In addition, we expect the planned launch of the Concrete College in Shanghai in Q4 2015 will play a key role to support growth in the region.

Growth is also anticipated in Latin America outside of Brazil, driven by increased activity in Mexico, attributed to the manufacturing sector. We are also seeing positive signs of improvement in other countries in this region and remain optimistic overall on the region.

We are very encouraged by the sound start to 2015 and the Board is confident Somero will deliver another strong performance this year in line with latest market expectations.

5-Year Revenue Targets



<i>US\$ millions</i>	2013	2014	H1 2015	5-Year Growth Targets ⁽¹⁾
North America	\$25.5	\$37.2	\$24.1	100%
China	6.6	9.5	3.3	200%
Europe	3.0	3.6	1.9	200%
ROW (including India)	10.0	9.0	6.0	40%
Total	\$45.1	\$59.3	\$35.3	\$90.0+

(1) – 5-Year targets expressed in terms of % growth from 2013 base-year revenues.

Why is this a Compelling Investment?



- Skilled management team with extensive industry experience
- Industry leader in introducing technologically advanced new products (29 new product releases since inception)
- Global Direct Sales and Technical Support Teams (serving 90+ countries)
- Innovative customer training programs – Somero Concrete College
- Attractive global geographic growth opportunity
- Highly profitable business with strong conversion of revenue growth into free cash flow
- Strong balance sheet and net cash position, with dividend growth each year since 2011

Additional Slides

Financial Performance – P&L



<i>US\$ Millions</i>	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue	55.9	66.4	51.9	24.2	21.0	21.9	32.2	45.1	59.3
<i>Revenue Growth</i>	32%	19%	-22%	-53%	-13%	4%	47%	40%	32%
Cost of revenue	25.7	28.8	23.1	12.5	11.2	11.7	16.5	21.6	27.3
Gross profit	30.2	37.6	28.8	11.7	9.8	10.2	15.7	23.5	32.0
<i>Gross Margin</i>	54%	57%	55%	48%	47%	47%	49%	52%	54%
SG&A	18.3	24.3	26	27.4	11.5	12	14.3	17.1	19.4
Operating Income/(loss)	11.9	13.3	2.8	-15.7	-1.7	-1.8	1.4	6.4	12.6
Interest expense	-3.7	-1.5	-0.8	-1.0	-0.5	-0.4	-0.3	-0.2	-0.1
Other Income	-	-1.1	0.2	0.1	-0.2	-0.1	0.1	0.3	-0.1
Income Before Tax	8.2	10.7	2.2	-16.6	-2.4	-2.3	1.2	6.5	12.4
Tax	2.8	3.8	0.5	-1.2	-0.2	-	0.2	1.1	-2.1
Net Income	5.4	6.9	1.7	-15.4	-2.2	-2.3	1.0	5.4	14.5
Depreciation & Amortization	2.8	2.8	2.7	2.7	2.6	2.6	2.6	2.4	2.0
EBITDA ⁽¹⁾	14.7	16.5	6.0	0.8	1.0	0.9	4.2	9.0	15.0
<i>EBITDA margin</i>	26%	25%	12%	3%	5%	4%	13%	20%	25%
Net income before amortization ⁽²⁾	7.8	10.8	4.0	-13.1	0.1	-	3.4	7.4	16.0
Capital Expenditures	0.4	0.5	0.6	-	-	0.1	0.6	0.8	1.2

1. Adjusted EBITDA as used herein is a calculation of its net income/(loss) plus tax provision/(benefit), interest expense, interest income, foreign exchange gain, other expense, depreciation, amortization, stock based compensation and the write-down of Goodwill.

2. References to adjusted net income before amortisation are to Somero's adjusted net income plus amortisation expense of intangibles.

Financial Performance – Balance Sheet



Condensed Consolidated Balance Sheets For the Years Ended December 31, 2014 and 2013

	Year ended December 31, 2014 US\$ 000	Year ended December 31, 2013 US\$ 000
Assets		
Current assets:		
Cash and cash equivalents	7,950	5,983
Accounts receivable - net	6,599	5,407
Inventories	8,390	6,781
Prepaid expenses and other assets	734	636
Deferred tax asset	174	-
Total current assets	23,847	18,807
Other assets	15,381	13,250
Total assets	39,228	32,057
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable - current portion	266	1,265
Accounts payable	4,096	3,239
Accrued expenses	2,896	1,756
Income tax payable	25	525
Total current liabilities	7,283	6,785
Other liabilities	1,163	1,376
Total liabilities	8,446	8,161
Stockholders' equity		
Total stockholders' equity	30,782	23,896
Total liabilities and stockholders' equity	39,228	32,057

Adjusted Net Cash		
Dec 14	Dec 13	Increase
\$6.6m	\$3.4m	\$3.2m

Financial Performance – Statement of Cash Flows



Condensed Consolidated Statements of Cash Flows For the Years Ended December 31, 2014 and 2013

	Year ended December 31, 2014 US\$ 000	Year ended December 31, 2013 US\$ 000
Cash flows from operating activities:		
Net income	14,541	5,380
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred taxes	(3,251)	(428)
Depreciation and amortization	2,098	2,373
Amortization of deferred financing costs	32	100
Stock based compensation	262	177
Working capital changes:	(1,337)	415
Net cash provided by operating activities	12,345	8,017
Cash flows from investing activities:		
Proceeds from sale of property and equipment	25	-
Property and equipment purchases	(1,221)	(795)
Net cash used in investing activities	(1,196)	(795)
Cash flows from financing activities:		
Borrowings from additional financing	-	11,269
Payment of dividend	(1,573)	(959)
Payment of RSUs	(4,874)	-
Purchase of treasury stock	(355)	(61)
Stock options settled for cash	(1,036)	(524)
Loan origination fees	-	(160)
Repayment of notes payable	(1,265)	(11,745)
Net cash used in financing activities	(9,103)	(2,180)
Effect of exchange rates on cash and cash equivalents	(79)	(226)
Net increase in cash and cash equivalents	1,967	4,816
Cash and cash equivalents:		
Beginning of year	5,983	1,167
End of year	7,950	5,983

Normalized EPS



	2014	2013
Basic EPS	\$0.26	\$0.10
Valuation allowance	-\$0.07	-\$0.02
Permanent tax differences	-\$0.03	\$0.00
Normalized EPS	\$0.16	\$0.08

US\$ 4.1m non-cash, non-recurring reduction to deferred tax asset valuation allowance

US\$ 1.9m non-recurring permanent tax differences related to stock options and RSUs

Senior Management: Stability, experience, depth



Name	Title	Age	Years of Somero experience
Senior Management			
Jack Cooney	President, Chief Executive Officer and Director	68	17
John Yuncza	Chief Financial Officer and Director	44	1
Howard Hohmann	Executive Vice President of Sales and Director	53	26
Kevin Day	Vice President	48	5
Lance Holbrook	Vice President	45	15
Mark Pietila	Engineering	49	13
Jesse Aho	Production	33	7
Dave Raasakka	Global Customer Support	43	1
Neil Mathur	Senior Controller	45	7
Paul Kelly	International Consulting Manager	54	25
Bonnie Roth	Manager of Human Resources	38	4
Non Executive Directors			
Lawrence Horsch	Non-Executive Chairman of the Board	80	6
Thomas Anderson	Non-Executive Director	63	8
Ronald Maskalunas	Non-Executive Director	74	8

Somero Strategic Plan to Double Revenue by 2018

Somero Strategic Plan: 5-Year Revenue Targets



<i>US\$ millions</i>	2013	2014	H1 2015	5-Year Growth Targets ⁽¹⁾
North America	\$25.5	\$37.2	\$24.1	100%
China	6.6	9.5	3.3	200%
Europe	3.0	3.6	1.9	200%
ROW (including India)	10.0	9.0	6.0	40%
Total	\$45.1	\$59.3	\$35.3	\$90.0+

(1) – 5-Year targets expressed in terms of % growth from 2013 base-year revenues.

Somero Strategic Plan: Key Drivers for Global Growth



Key drivers to US & European growth are being used as a “roadmap” for emerging markets.

- The Demand for better floors
- Measuring System (FF/FL) numbers introduced/accepted
- Customer Support, operator training, jobsite consulting, product demonstrations
- New product launches
- Key Employees
- Marketing
- Third-party Financing

Somero Strategic Plan: North America – Double Revenue by 2018



Market Condition

- Pent up demand for residential construction forecasted to peak 2022¹
- Portland Cement Association forecasts non-residential cement consumption increase by 131%¹
- Large Line average selling price increase 42% over previous recovery
- Small Line average selling price increase 25% over previous recovery
- US total sales at previous peak in 2007 \$40 mil

2015 Market Performance

- H1 2015 sales of US\$ 24.1m exceeded H1 2014 US\$ 19.0m by 27%

Growth Drivers

- 9 person sales & marketing team with average 13 years experience
- New Product Development – Introduction of S-485
- Replacement demand driven by new technology
- 24/7 Customer Support team of 21 with over 162 combined years of service

1. Source: Portland Cement Association Market Intelligence Report , November 2013

Somero Strategic Plan: China – Triple Revenue by 2018



Market Condition

- Total cement consumption in China 30 times larger than US^{1,2}
- Total market opportunity greater than 2007 peak sales in US
- Current penetration rate is 1%
- Current market share is 99%

2015 Market Performance

- H1 2015 sales of US\$ 3.3m was down 30% from H1 2014 sales of US\$ 4.7m

Growth Drivers

- China Flooring Association implements US flatness & levelness system as concrete flooring specification
- China-focused comprehensive support program with 7 Somero trained employees
- Somero Concrete College to educate customers on all segments of installing high-quality concrete floors
- Dedicated sales engineering team educating building owners, engineers, and specifiers on wide-placement floors and flatness specifications
- Sales hiring and training program has resulted in low employee turnover
- New product launches

1. Source: CEMBEAU – Main World Producers, The G20 Group

2. Source: U.S. Geological Survey, Mineral Commodity Summaries, February 2014

Somero Strategic Plan: China – Triple Revenue by 2018



Investments

- New Shanghai executive office and Concrete College facility of 4,000 sq. meters, which is larger than Somero Global Headquarters located in Fort Myers, Florida
- Total of 20 employees, including 18 Chinese nationals
- New Concrete College is expanding the concrete industry's knowledge of benefits and methods of wide-placement laser screeded floors

Growth Opportunity

- China non-residential building is 37% compared to the U.S. at 10.6% of total construction market^{1,2}
- Trade in program of large and small line products
- Trade-ins remanufactured in country
- Market is adopting better practices, and concrete contractors are becoming more professional and better capitalized

1. Source: Freedonia Construction Outlook in China Study #3221, January 2015.

2. Source: Portland Cement Association Market Intelligence Report, November 2014.

Somero Strategic Plan: China – Triple Revenue by 2018



Competitive Advantage

- Continue to drive and lead the market with the most advanced technology for the concrete flooring industry
- 24/7 Direct Customer Support
- Field training and consulting
- Educated Sales Team with industry knowledge
- Variety of products that covers every market segment
- Technology driven trade-in program
- Trade-ins remanufactured in-country
- Somero Concrete College Program
- Exclusive mobile construction equipment financing options in place

Somero Strategic Plan: India – Triple revenue by 2018



Market Condition

- Total cement consumption over 3 times larger than US¹
- Cement consumption second only to China²
- Market penetration is still in its infancy

2015 Market Performance

- H1 2015 sales of US\$ 0.1m was down 80% from H1 2014 sales of US\$ 0.5m

Growth Drivers

- Established sales and support office in 2013
- Direct Sales Team approach
- Focused on flatness specifications, sales and customer support
- Somero Concrete College to educate all customers on all segments of installation of high quality concrete floor

1. Source: CEMBEAU – Main World Producers, The G20 Group

2. Source: U.S. Geological Survey, Mineral Commodity Summaries, February 2014

Somero Strategic Plan: Europe – Triple revenue by 2018



Market Condition

- Economic recovery has begun and will accelerate over time

2015 Market Performance

- H1 2015 sales of US\$ 1.9m was down 36% from H1 2014 sales of US\$ 1.4m

Growth Drivers

- Seasoned sales team of 2 direct and 13 independent representatives with 87 years of combined service
- New product launches
- Replacement demand driven by new technology
- Customer support team with over 70 years of combined service

Somero Strategic Plan: Rest of World— ↑ 40% by 2018



Market Condition

- All regions experiencing economic growth

2015 Market Performance

- Korea increased H1 2015 revenues increased US\$ 0.4m above H1 2014
- Southeast Asia increased H1 2015 revenues up 150% above H1 2014
- Middle East revenues increased US\$ 1.7m above H1 2014
- Australia revenues declined 11% below H1 2014
- Latin American revenues increased US\$ 0.4m above H1 2014
- Russia experienced reduced sales due to political unrest

Growth Drivers

- Seasoned, experienced Direct Sales team
- New products
- Strong, experienced 24/7 support team
- Somero Concrete College to educate all customers on all segments of installation of high quality concrete floors

- Dominant market position
- Significant barriers to entry based on technology and service provision
- Customer driven product development
- Highly knowledgeable and experienced senior management team
- Financial:
 - Very high Gross/EBITDA margins
 - Accumulating cash
 - Dividends
- Strategic plan to double revenue by 2018
 - Demand continuing to recover in developed markets
 - Strong potential for growth in emerging markets

The logo for Somero Enterprises, Inc. is located on the upper part of the building's facade. It features the word "SOMERO" in a bold, blue, sans-serif font. Below it, in a smaller font, is "ENTERPRISES, INC.". To the right of the text is a stylized graphic element consisting of a red and white triangle.

Thank You

New China facility located at No. 2399 Zhaozhong Highway Qingpu District, Shanghai China

The logo for Somero Enterprises, Inc. is located in the bottom right corner of the image. It features the word "SOMERO" in a bold, black, sans-serif font. Below it, in a smaller font, is "ENTERPRISES, INC.". To the right of the text is a stylized graphic element consisting of a red and white triangle.