



# Actuant Corporation

## 2015 Investor Day – Update

October 6, 2015  
Milwaukee, WI

  
**THE DRIVE TO LEAD**

ATU  
LISTED  
NYSE

# Safe Harbor

Statements in this presentation that are not historical are considered “forward-looking statements” and are subject to change based on various factors and uncertainties that may cause actual results to differ significantly from expectations. Those factors are contained in Actuant’s Securities and Exchange Commission filings.

All estimates of future performance are as of September 30, 2015. Actuant’s inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental slides at the end of the Q4 earnings deck, or the Q4 earnings release contained within the Investors section of Actuant’s website ([www.actuant.com](http://www.actuant.com)) for a reconciliation to the appropriate GAAP measure.

# ATU Investor Day – Two Day Agenda

Tuesday October 6, 2015

Time	Activity	Participants	Detail
4:30-6:00pm	ATU Update and Q&A	All	Arzbaecher/Lampereur Update - Best Place
6:00-8:30pm	Cocktails/Dinner	All	Leadership Team Dinner and Q&A – Best Place

Wednesday October 7, 2015

Time	Activity	Participants	Detail
9:15am	Bus Leaves Hotel		Transport to Columbus
11:00am	Arrive Columbus Plant	All	Check in and proceed to training room
11:15am -12:30pm	Working Lunch Presentation	All	Enerpac Business / Strategy Overview
12:30-2:00pm	Tour with Hands-On Demonstration	All	Plant Tour / Enerpac Academy
2:00-2:30pm	Wrap-Up / Final Q&A	All	Q&A – training room
2:30–4:00pm	Bus to MKE (Mitchell Airport)	All	Will drop off at hotel after airport

# Actuant Update

*Andy Lampereur - CFO*

*Bob Arzbaecher- CEO*



# Fiscal 2015 Financial Summary

(US\$ in millions except EPS, from continuing operations)

	<u>F' 2014 <sup>(1)</sup></u>	<u>F' 2015 <sup>(2)</sup></u>	<u>Change</u>
Sales	\$1,400	\$1,249	-11%
Operating Profit	\$190	\$138	-27%
	13.5%	11.0%	(250) bps
EBITDA	\$246	\$191	-22%
	17.6%	15.3%	(230) bps
EPS	\$1.91	\$1.65	-14%

(1) Excluding \$13.5 million (\$0.04 per share) gain on the sale of the RV business.

(2) Excluding \$84.4 million (\$1.33) impairment charge.

# Fiscal 2015 Sales by Segment

	2015 Total	FX	Acquisition / Divestiture	Core
Industrial	(3)%	(5)%	5%	(3)%
Energy	(11)%	(8)%	-	(3)%
Engineered Solutions	(17)%	(6)%	(4)%	(7)%
Consolidated	(11)%	(6)%	-	(5)%

Significant FX Headwinds in Fiscal 2015

# Fiscal 2016 Guidance Summary

(US\$ in millions except EPS)

	<u>F' 2015</u>	<u>F' 2016E</u>
Sales	\$1,249	\$1,160 - 1,200
EBITDA <sup>(1)</sup>	\$191	\$165 - 180
Diluted EPS <sup>(1)</sup>	\$1.65	\$1.20 - 1.40
Free Cash Flow	\$113	\$110 - 120

(1) Fiscal 2015 excludes \$84.4 million (\$1.33) impairment charge. Fiscal 2016 excludes anticipated restructuring charges.

# Fiscal 2015/2016 Core Sales - Trends

	2015 H1	2015 H2	2016 H1	2016 H2	2016 Guidance
Industrial	Flat	(6)%	Approx Similar to H2 2015	Flattish	(1)-(4)%
Energy	4%	(10)%	↓	- LSD	(3)-(6)%
Engineered Solutions	(7)%	(6)%		Flattish	(1)-(3)%
Consolidated	(2)%	(8)%		Flattish to - LSD	(1)-(4)%

Core Sales Expected To Continue to be Weak in the First Half of 2016, Improving Sequentially in the Back Half



# Actuant's Macro Growth Market Focus



## Key Trends

### Energy Demand

- Global power generation and oil & gas maintenance
- New installations
- Demanding technology & methods (offshore, sub-sea, oil sands, natural gas, fracking)
- Rental and Services

### Global Infrastructure

- Emerging market build-out
- Transportation
- Bridges, tunnels
- Rail
- Off-highway equipment (productivity & safety)

### Food/Farm Productivity

- Population growth
- Affluence / protein diets
- Biofuels
- Agriculture equipment
- Efficient seeding technology

### Natural Resources / Sustainability

- Mining / resources
- Emission reduction solutions
- Alternative energy (wind)
- Energy efficiency (power gen)

## Key Products / Technology

- Joint Integrity solutions
- Nuclear maintenance tools
- Pipeline connectors
- Rope / slings / moorings
- Umbilicals

- Integrated solutions – heavy lift technologies
- High force hydraulic tools
- Concrete tensioning
- Truck cab-tilt & latch
- HMI\* displays

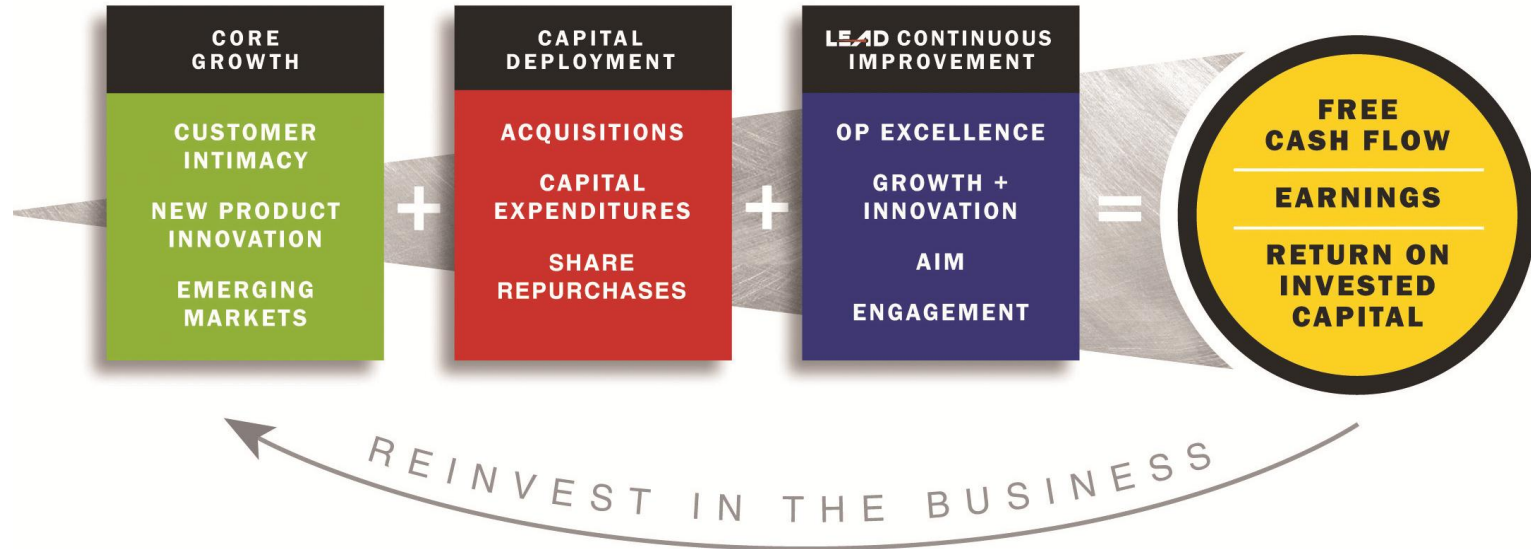
- HMI displays
- PTO drivelines
- Seeding systems
- Flexible shafts

- EGR, turbocharger and other air flow valves
- Mining safety & productivity MRO solutions
- HMI\* displays

\* Human Machine Interface (HMI)

# Actuant Business Model

## Business Model



## Long-Term Metrics

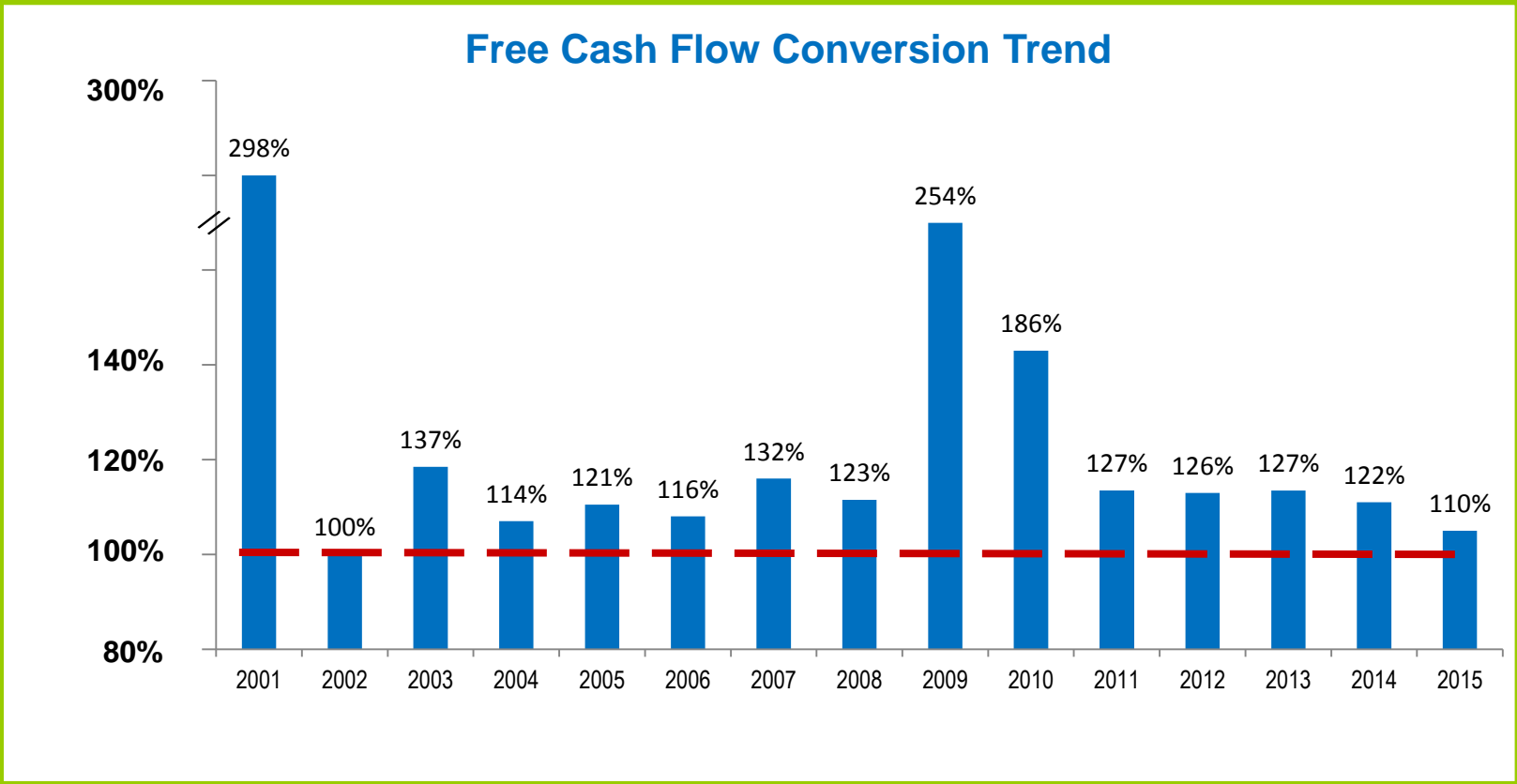
1.5-2.0X  
GDP

Deploy  
FCF

+ 25-50 BPS  
Base  
Margins

>100% FCF  
Conversion

# Strong Free Cash Flow Conversion

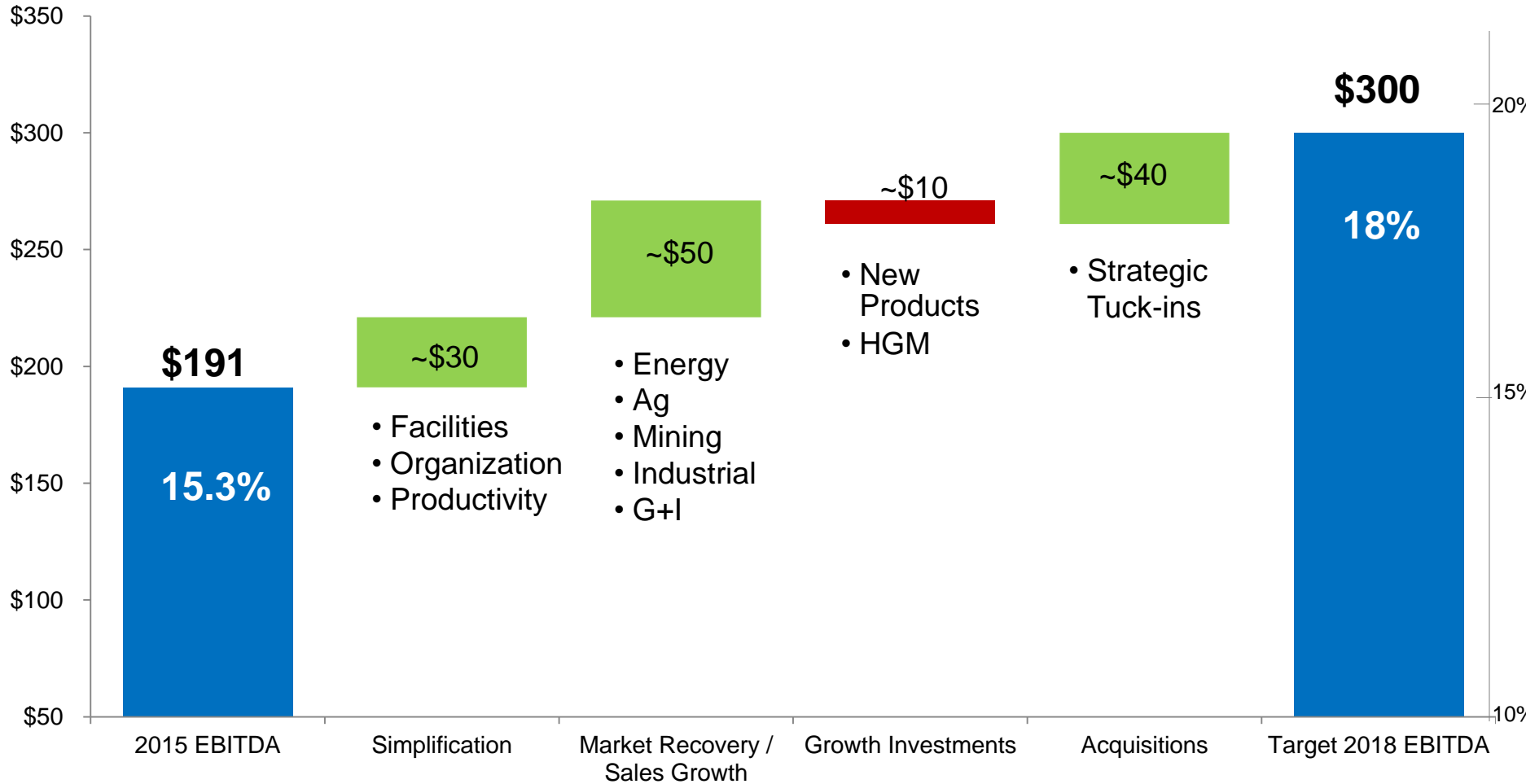


15 Year Track Record of Free Cash Flow Conversion > 100%

# Actuant 2018 Vision: \$300 Million EBITDA

EBITDA in millions

EBITDA %



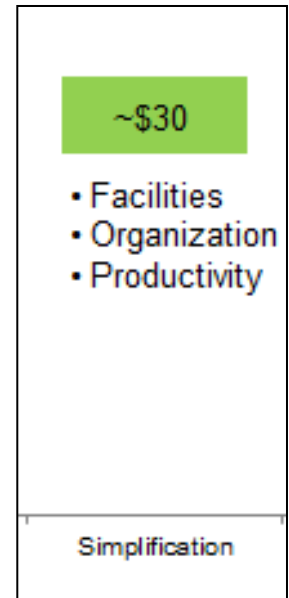
Multi-Pronged Approach to Generate Shareholder Value

# Simplification

Payback on Restructurings	\$15 – 20 million
LEAD Process Improvement	\$10 – 15 million

## Examples include:

- Consolidate Norway footprint
- Combine energy offices
- Close/relocate Simplex sales office



# Market Recovery / Sales Growth

- G+I success
- New products
- Price increases
- Share gains
- High growth markets
- End market recovery

~\$50

- Energy
- Ag
- Mining
- Industrial
- G+I

Market Recovery /  
Sales Growth

\$150 - \$175 Million Revenue at 30 – 35% Incremental EBITDA  
Margins

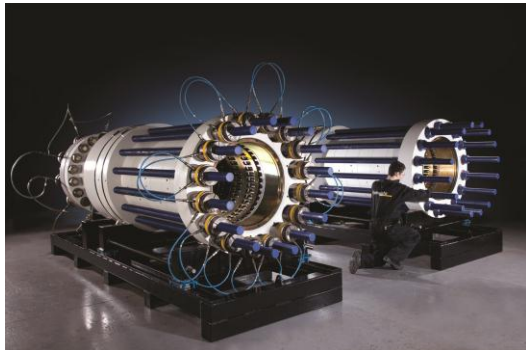
# G+I Investments

- Demonstrated successes
- Cultural transformation complete
- Targeted and prioritized investments

~\$10

- New Products
- HGM

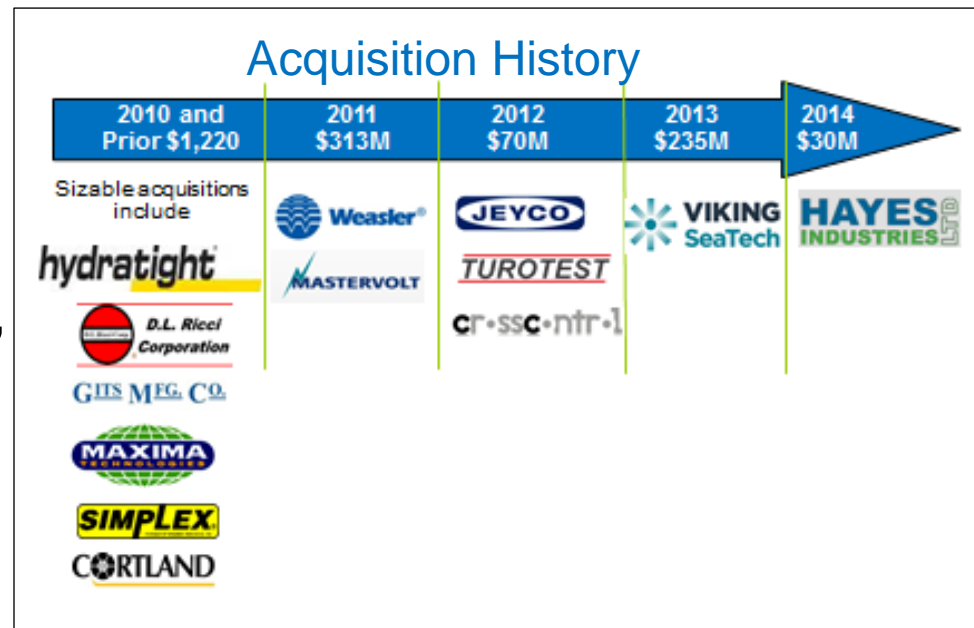
Growth Investments



Successes Across Segments

# Acquisitions

- Targeting tuck-ins – strengthen leadership positions and build out MRO/Service/AM
- Metrics - ROIC – mid teens EBITA in 3-5 years
- Synergies
  - Cost
  - Working capital
  - Sales acceleration, geographic coverage, technology



~\$40

- Strategic Tuck-ins

Acquisitions

Disciplined Acquisitions to Strengthen Best Businesses



# Free Cash Flow & Capital Structure Provide Optionality

(US\$ in millions)

	<u>Net Debt</u>	<u>Leverage</u>
Actual 8/31/2015	\$419	2.2x
F'16 - F'18:		
Free cash flow	(\$400 - 450)	
Acquisitions	\$300 - 400	
Dividends	\$7	
	<hr/>	
	\$325 - 375	1.1x-1.3x
Stock buy-backs, other	<hr/>	
	\$125 - 375	
Implied target net debt	\$450 - 750	1.5x-2.5x

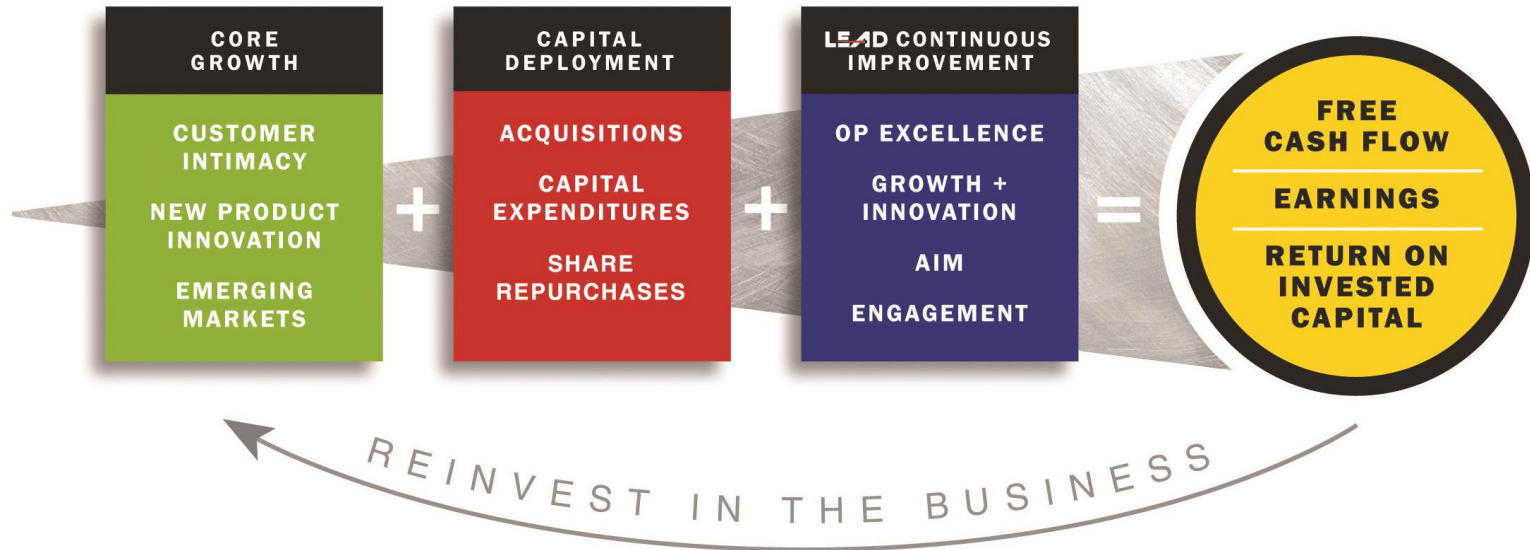
# 2018 EBITDA Margin Targets by Segment

	Current Margin	2018 Target
Industrial	28.2%	30%
Energy	17.1%	Low-20%'s
Engineered Solutions	8.3%	13 - 16%
Total	15.1%	18%

Achievable Path to 18% EBITDA

# Questions & Answers

## Business Model



## Long-Term Metrics

1.5-2.0X  
GDP

Deploy  
FCF

+ 25-50 BPS  
Base  
Margins

>100% FCF  
Conversion