



JP Morgan Aviation, Transportation and Industrials Conference

March 8, 2016



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 December 18, 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.

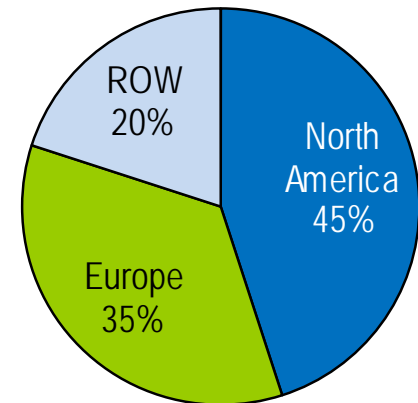
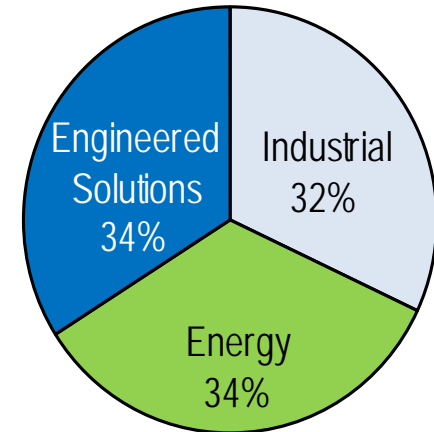
In this presentation certain non-GAAP financial measures may be used. Please refer to the supplemental schedules included at the end of this presentation or the first quarter fiscal 2016 earnings press release statements on the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.

Actuant Overview

Diversified Industrial Business Focused on Profitable Growth

- Founded in 1910
- Three segments – leading niche market positions
- Continuous improvement culture
- ROIC / cash flow focused
- Disciplined acquisition & integration strategy
- Significant diversification
 - End markets
 - Geographies
 - Customers

Revenue \$1.2 Billion



Industrial – High Force Hydraulics

US \$ in millions	2013	2014	2015
Sales	\$423	\$414	\$403
EBITDA	\$125.6	\$127.0	\$113.4
EBITDA %	29.7%	30.7%	28.2%

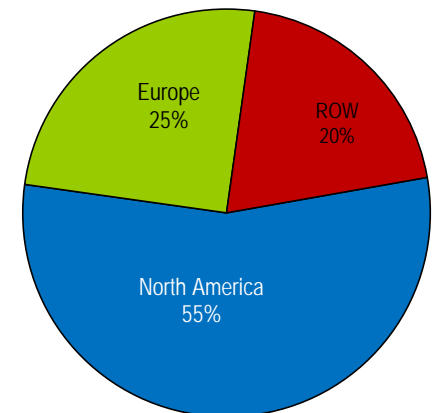
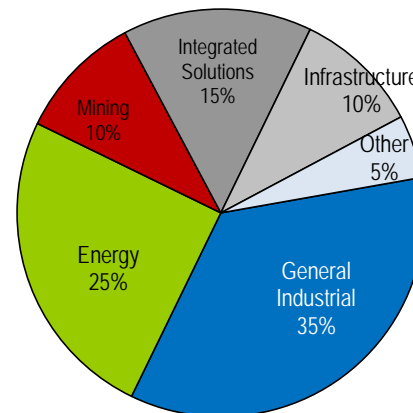
- Industry leader
- Global, value added distribution
- Vast array of end market applications
 - MRO & General Industrial
 - Mining, rail, energy, agriculture, marine, aerospace, defense, power generation, shipbuilding, workholding....
 - Integrated Solutions
 - Special Project / Infrastructure

ENERPAC 

SIMPLEX
A Division of Integrated Hydraulics & Pumps, Inc.

milwaukee
Cylinder

**PRECISION-HAYES
INTERNATIONAL**



Energy – MRO and Critical Connections

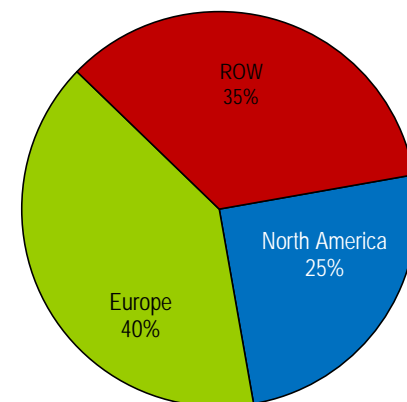
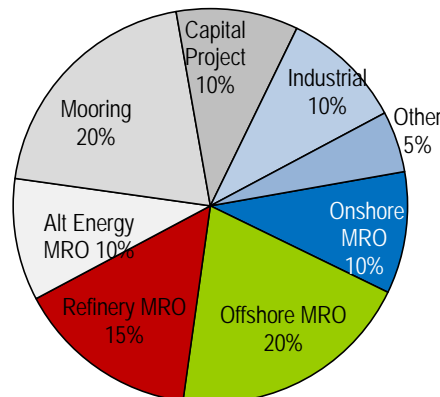
US \$ in millions	2013	2014	2015
Sales	\$363	\$462	\$412
EBITDA	\$80.1	\$88.8	\$70.4
EBITDA %	22.1%	19.2%	17.1%

- **Joint Integrity** - Maintenance and Repair – product, rental and technical manpower services for safety critical joints for global oil & gas, nuclear, petrochem and power generation
- **Critical Connections** - Highly engineered, custom designed and mission critical including dynamic umbilicals and synthetic rope & slings
- **Mooring Systems** – design, layout installation, rental, maintenance and inspection of offshore mooring solutions

hydratight

VIKING
SeaTech

CORTLAND



Engineered Solutions – Motion Control

US \$ in millions	2013	2014	2015
Sales	\$494	\$524	\$435
EBITDA	\$57.0	\$58.5	\$36.0
EBITDA %	11.5%	11.2%	8.3%

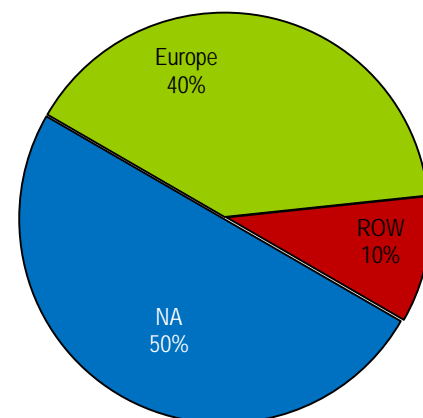
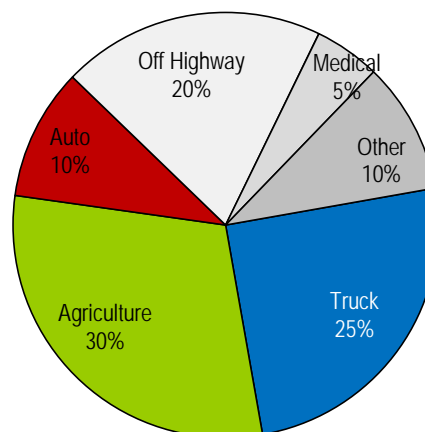
- Position & motion control
 - Europe / ROW HD truck cab-tilt
 - Automotive convertible top
 - Patient handling
 - Emission control air valves
- Power transmission – agriculture drivelines and flexible shafts
- Severe-duty vehicle instrumentation & displays

POWER-PACKER



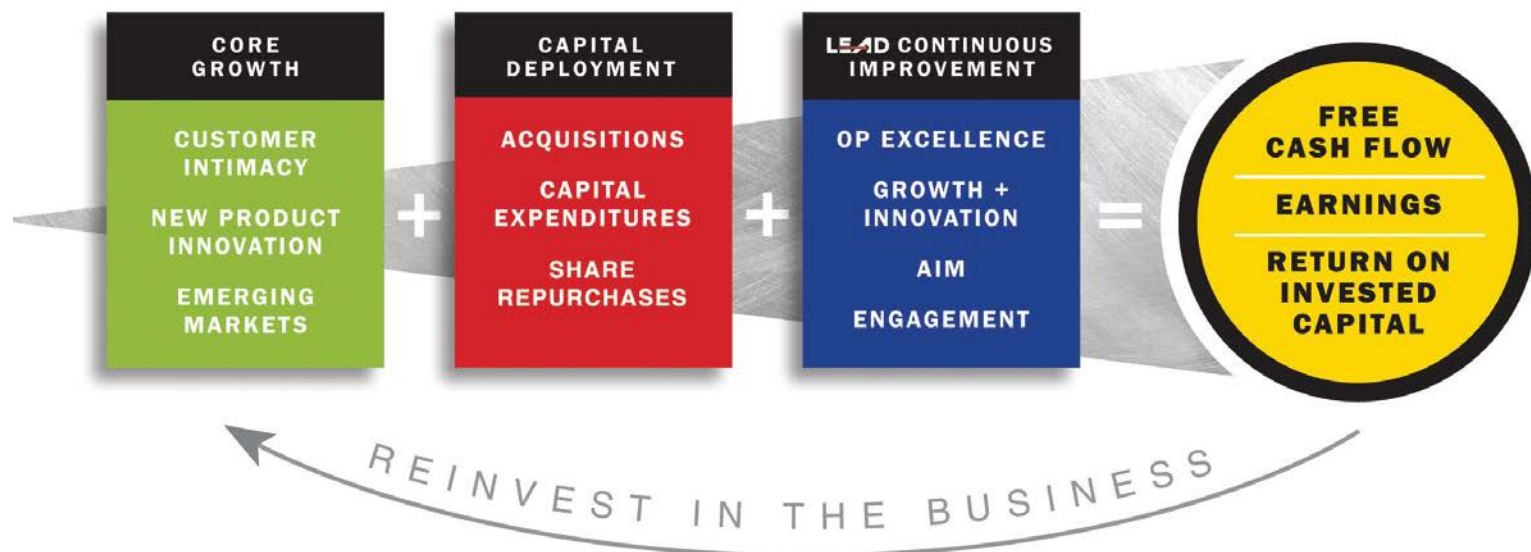
GITS MFG. CO.

maximatecc.



Executing Long Standing Business Model

Business Model



Long-Term Metrics

**1.5-2.0X
GDP**

**Deploy
FCF**

**+ 25-50 BPS
Base
Margins**

**>100% FCF
Conversion**

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

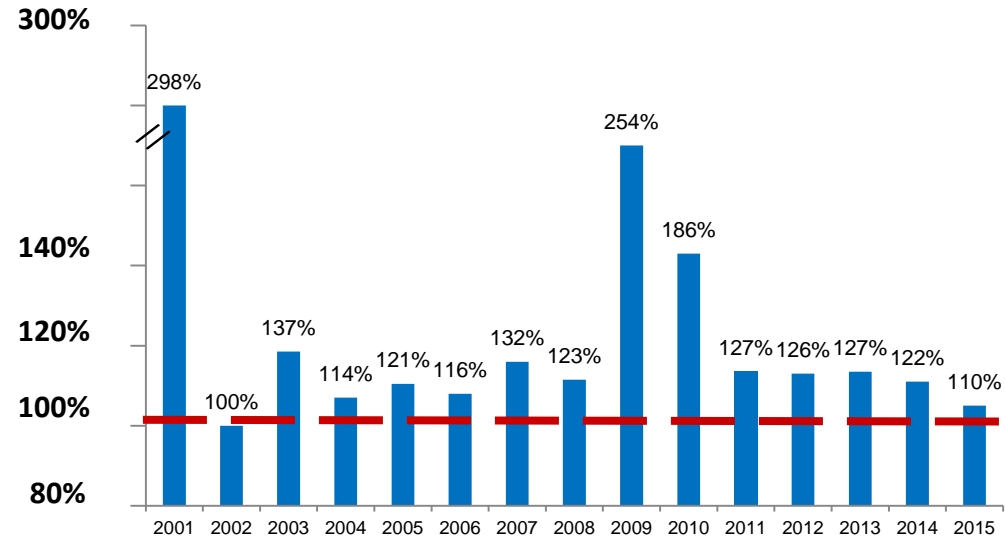
- EGR, turbocharger and other air flow valves
- Mining safety & productivity MRO solutions
- HMI* displays

* Human Machine Interface (HMI)

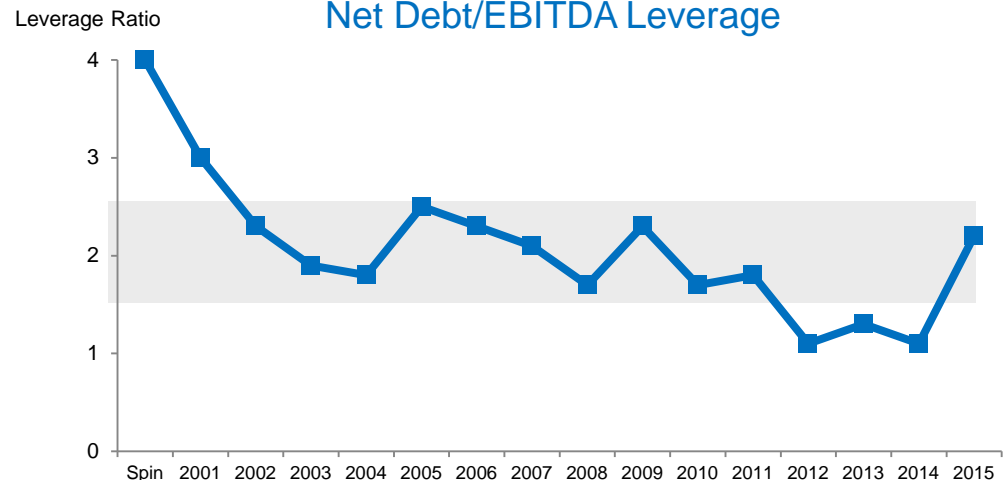
Cash Flow Focused

- Driver of incentive compensation – CMM
- Asset light business model
- Working capital focus
- Capital Allocation Priorities
 - Tuck-In Acquisitions (notably Industrial, Energy services, Agriculture)
 - Buy-Backs
 - Dividend (no change)

Free Cash Flow Conversion Trend



Net Debt/EBITDA Leverage





Recent Updates

CEO Introduction – Randy Baker

Why Actuant

- Great history and growth
- Respected by customers and investors
- World class products
- Solid profit and cash flow
- Diversified products, markets and customers

First 100 Days

Learning the company and spending time with:

- Management team
- Employees
- Operations
- Marketing / sales
- Product planning
- Key customers

Driving to Deliver Superior Results for Stakeholders

Key Takeaways for Investors

1. Driving to \$300M EBITDA in 2018
2. Organic and acquisition growth leveraging long-term secular macro trends – focus on industrial, Hydratight and agriculture
3. Free Cash Flow > Net Income - capital allocation favors acquisitions, with opportunistic share repurchases

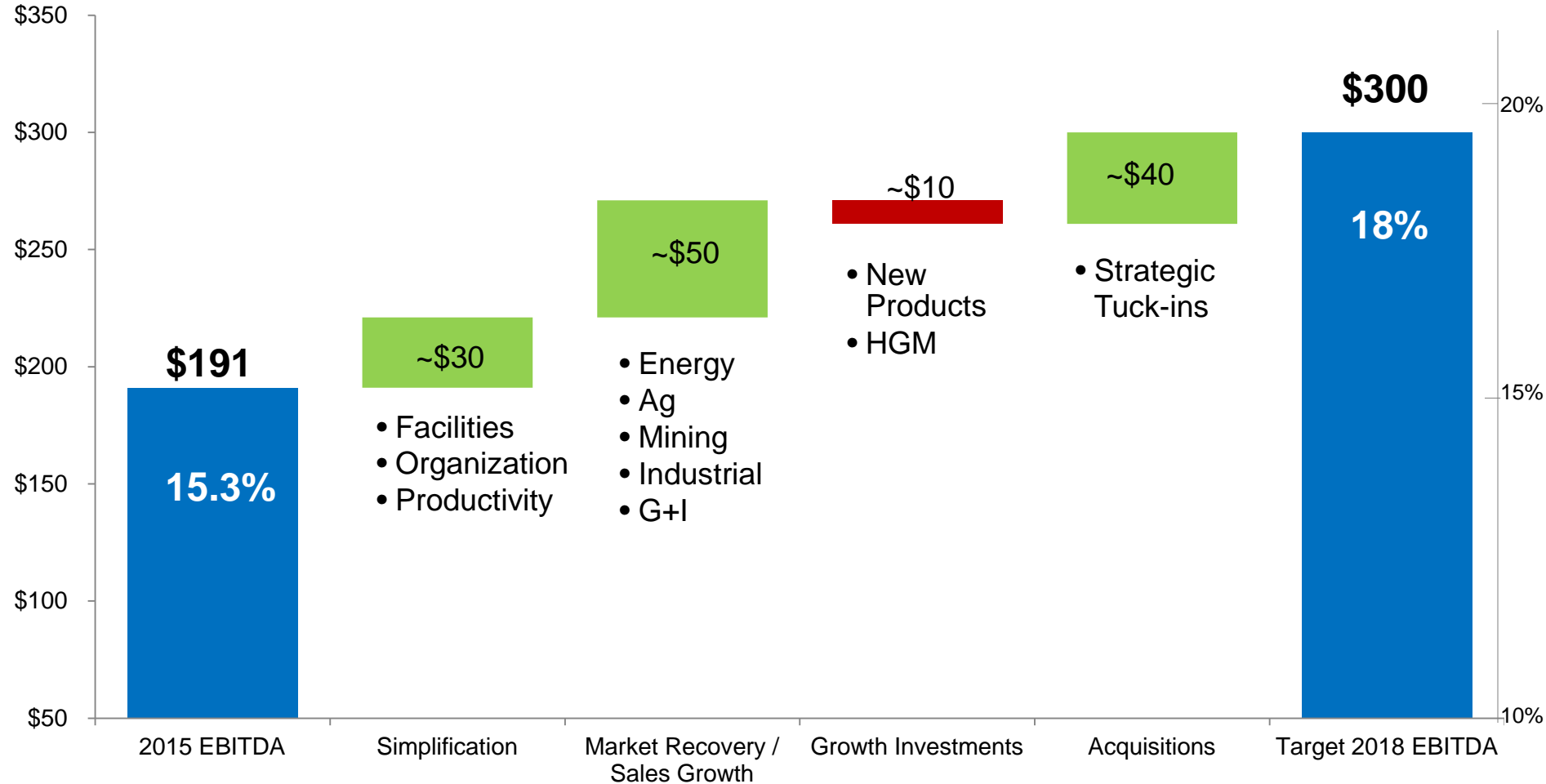
Simplifying Cost Structure – Sizable Leverage as Markets Trough and Begin to Recover



Actuant 2018 Vision: \$300 Million EBITDA

EBITDA in millions

EBITDA %



Multi-Pronged Approach to Generate Shareholder Value

March 7, 2016 Announcement

- Weakening capital spending environment in oil & gas and off-highway equipment destocking triggered impairment review
 - Approximate \$170 million (\$2.86 per share) non-cash net impairment charge in second quarter
- Industrial activity across spectrum of markets negatively impacted second quarter sales. Evaluating impact to full year
- Larzep acquisition – attractive tuck-in to Industrial
- Second quarter earnings to be released March 16



Questions ??



Appendix

Fiscal 2016 – First Quarter Snapshot

- Core sales flat, significant sequential improvement
 - Energy +13%, strong global service growth and Cortland non-energy activity only modestly offset by Viking contract wind-downs
 - Industrial -9%, sequential deceleration in O&G, mining and general industrial market demand
 - ES -3%, Europe truck growth partially offset weak agriculture and off-highway markets
- Reduced SA&E spending more than sales, but margins hurt by volumes, business mix, and absorption
- Restructuring progress on track
- Repurchased \$5 million in common shares

(in millions, except per share amounts)

	<u>Q1 F'2016</u>
Sales	\$305
Core Growth	flat
EBITDA	\$42
<i>Margin</i>	13.6%
Diluted EPS	\$0.31
<i>Y-O-Y change</i>	-18%
Free Cash Flow	\$17
Net Debt/EBITDA	2.3

First quarter ending November 30, 2015, ex restructuring

Continued Challenging Macro Environment

Acquisitions - Another Growth Driver

Criteria

Acquisition Criteria

Niche exposure to strategic secular growth markets

Recurring revenue – replacement or service

Emerging market presence

Cost and sales synergies

Leadership in niche market

Attractive EBITA ROIC returns

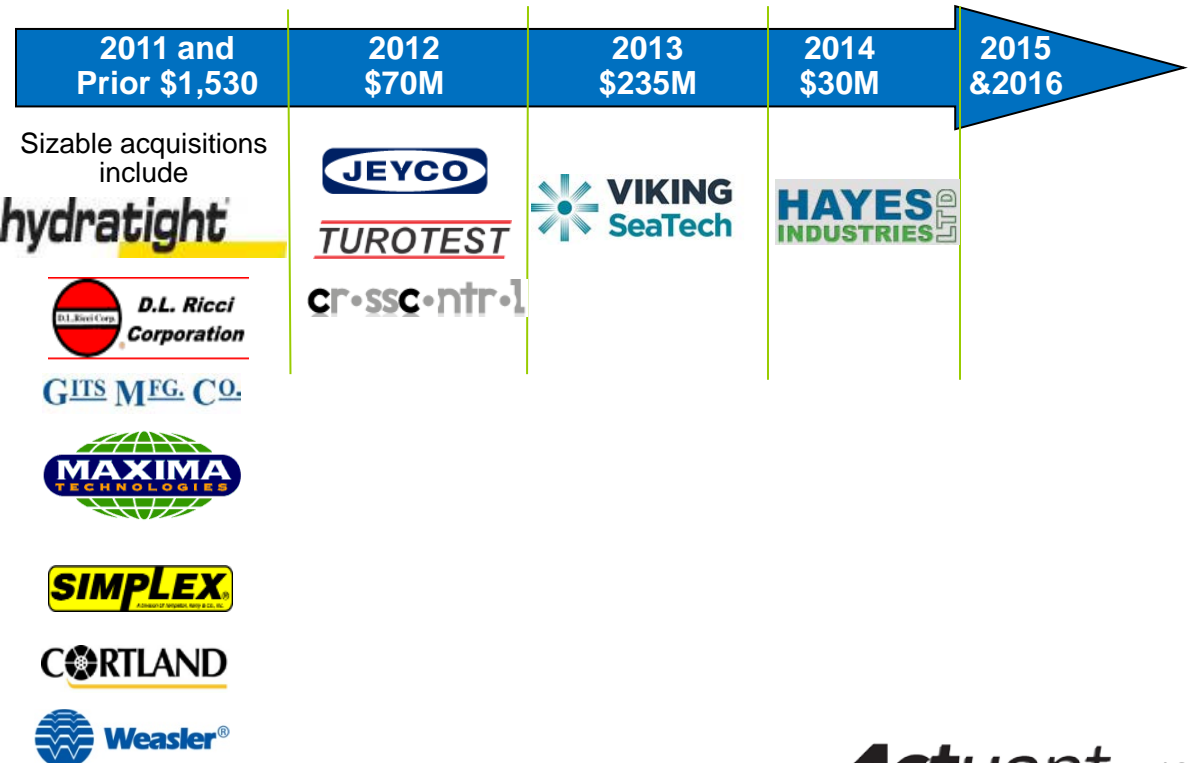
Strong management teams

Objectives

Deploy Annual Free Cash Flow – On Average

Maintain leverage within 1.5-2.5X Net Debt / EBITDA range

Track Record



Free Cash Flow / Cash Flow Conversion

(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total EBITDA	\$87	\$84	\$90	\$106	\$145	\$181	\$228	\$260	\$171	\$185	\$244	\$283	\$267	\$246	\$191
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)	(26)	(26)	(21)	(21)	(25)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)	(23)	(55)	(44)	(53)	(28)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)	(23)	(23)	(23)	(40)	(23)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14	(14)	17	26	32	(2)
Free Cash Flow	\$50	\$25	\$47	\$56	\$85	\$102	\$148	\$151	\$150	\$145	\$158	\$196	\$205	\$164	\$113
Net Earnings (1)	\$17	\$25	\$34	\$49	\$70	\$88	\$112	\$123	\$59	\$78	\$124	\$155	\$162	\$134	\$103
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%	127%	126%	127%	122%	110%

(1) Net earnings excluding special items - excludes restructuring and impairment charges, discontinued operations, debt extinguishment charges and non-recurring income tax gains.