THIRD QUARTER 2017 EARNINGS

NOVEMBER 7, 2017

Wolfgang H. Dangel
President & CEO

Tricia L. Fulton
Chief Financial Officer

Safe Harbor Statement

NASDAQ: SNHY

This presentation and oral statements made by management in connection herewith that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding the intent, belief or current expectations, estimates, vision or projections of Company, its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the Company's financing plans; (iii) trends affecting the Company's financial condition or results of operations; (iv) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (v) the declaration and payment of dividends; and (vi) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that the anticipated results will occur. Important factors that could cause the actual results to differ materially from those in the forward-looking statements include, among other items, (i) the economic cyclicality of the capital goods industry in general and the hydraulic valve and manifold industry in particular, which directly affect customer orders, lead times and sales volume; (ii) fluctuations in global business conditions, including the impact of economic recessions in the U.S. and other parts of the world, (iii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iv) changes in the competitive marketplace that could affect the Company's revenue and/or costs, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (v) risks related to the integration of the businesses of the Company and Enovation Controls; (vi) changes in technology or customer requirements, such as standardization of the cavity into which screw-in cartridge valves must fit, which could render the Company's products or technologies noncompetitive or obsolete; (vii) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; and (viii) changes relating to the Company's international sales, including changes in regulatory requirements or tariffs, compliance with anti-corruption laws and trade laws, including export and import compliance, trade or currency restrictions, fluctuations in exchange rates, and tax and collection issues. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the headings Item 1. "Business," Item 1A. "Risk Factors," and Item 7. "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2016. The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Third Quarter 2017 Highlights

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- Sales of $88.0 million, up 95% over Q3 2016
  - Enovation Controls contributed $30.8 million, up 34% vs Q3 2016 on a pro forma basis
  - Organic business grew 27%
  - Sales in each geographic region increased considerably
- EPS of $0.42 per share; non-GAAP EPS of $0.43
- Adjusted EBITDA more than doubled to $22.5 million, 26% of sales
- Increasing 2017 consolidated revenue guidance:
  - Now expecting $330 to $340 million (previously $315 to $330 million)

Strategy Drives Investments

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- Addition of field application specialists for Hydraulics segment starts to yield sales growth
- Electronics segment continues to realize record sales and operating income, while completing carve-out
- Launched two new products for Hydraulics segment:
  - XMD Electro-hydraulic drivers – first joint-engineering development project between Electronics and Hydraulics segments
  - Sun FLex™ electro-hydraulic cartridge valve products – first of three phases, will augment Sun's cartridge valve portfolio
- Expanding capacity in China to support local market

Vision 2025

$1 billion in sales, superior profitability and financial strength

Financial Overview

Tricia L. Fulton

Chief Financial Officer

Q3 – Consolidated Results

($ in millions, except Adjusted EPS)

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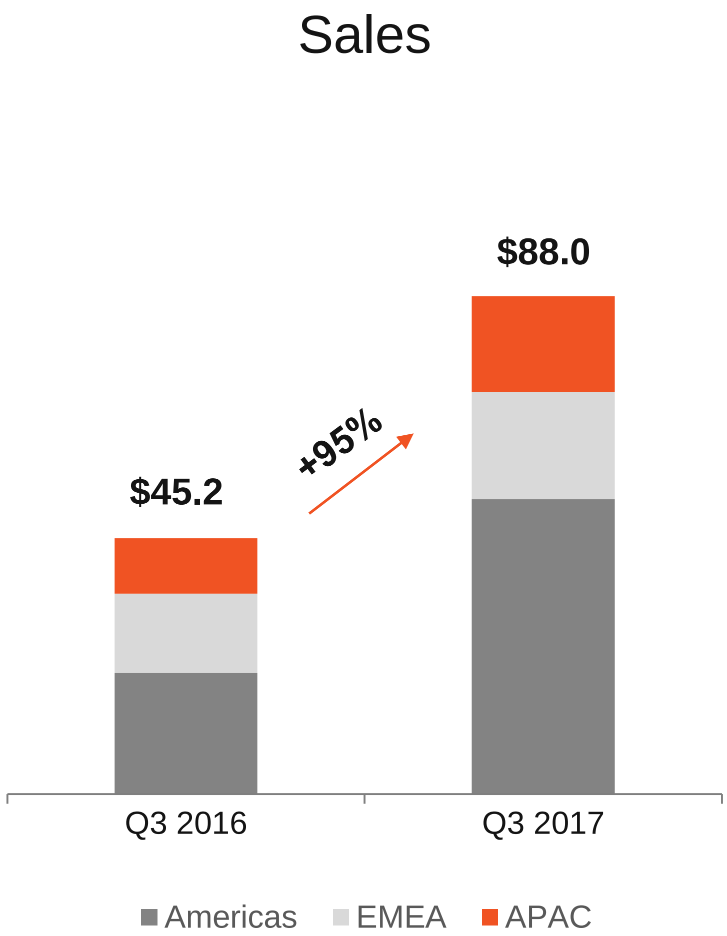

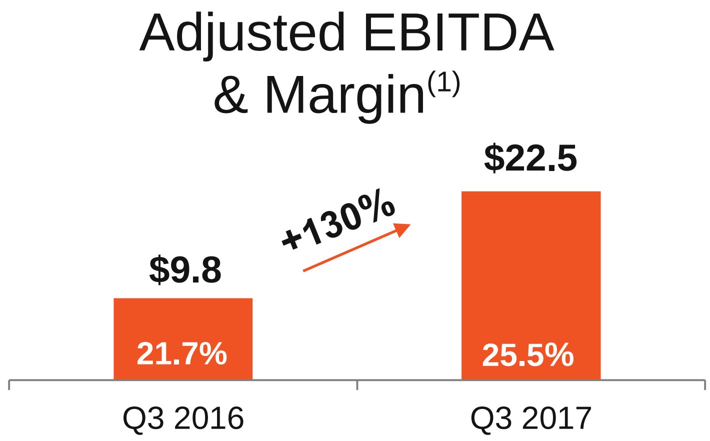

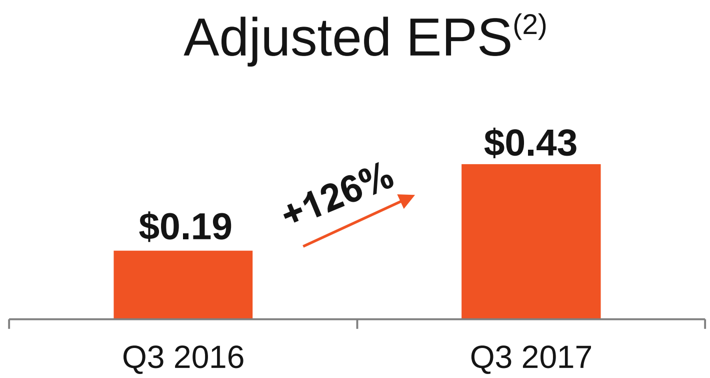

(1) See supplemental slide for Adjusted EBITDA reconciliation and other important disclaimers regarding Sun's use of Adjusted EBITDA
(2) See supplemental slide for Adjusted Net Income reconciliation and other important disclaimers regarding Sun's use of Adjusted Net Income

Q3 – Hydraulics Segment

($ in millions)

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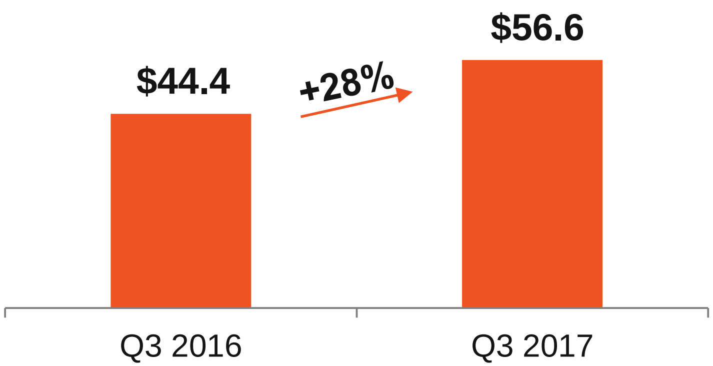
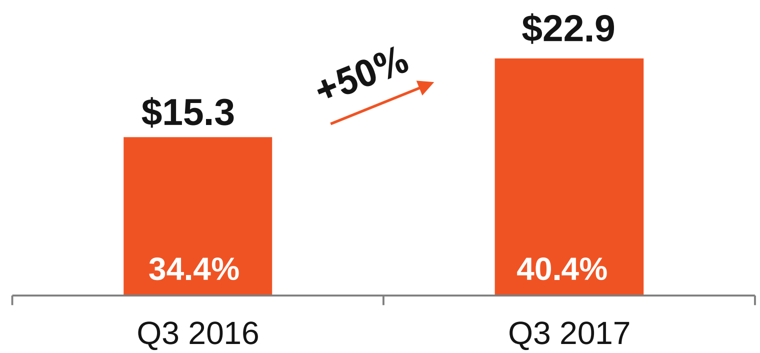
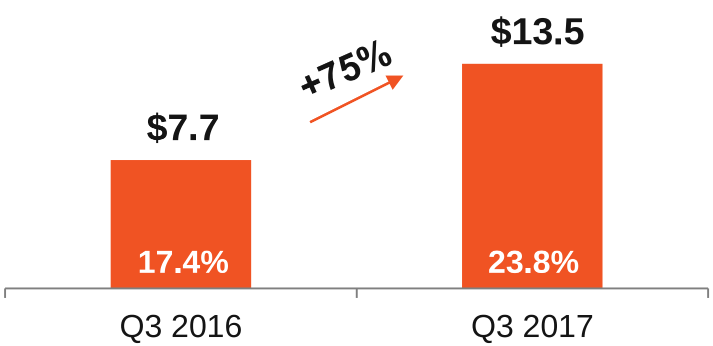
Sales



Gross Profit & Margin



Operating Income & Margin



- Sales growth realized in all geographic regions
  - APAC, EMEA and Americas up 55%, 15% and 23%, respectively
- Operating income increase driven by
  - Improved gross margin on higher revenue
  - Cost reduction efforts
  - Leverage on fixed SEA costs

Q3 – Electronics Segment

($ in millions)

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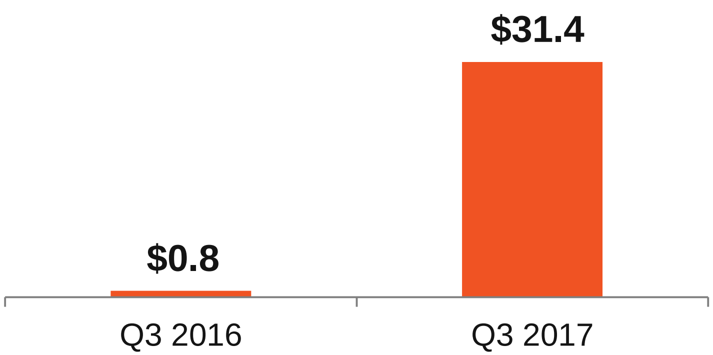
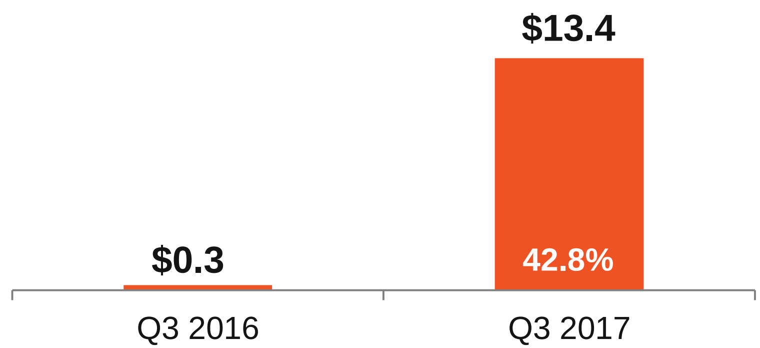
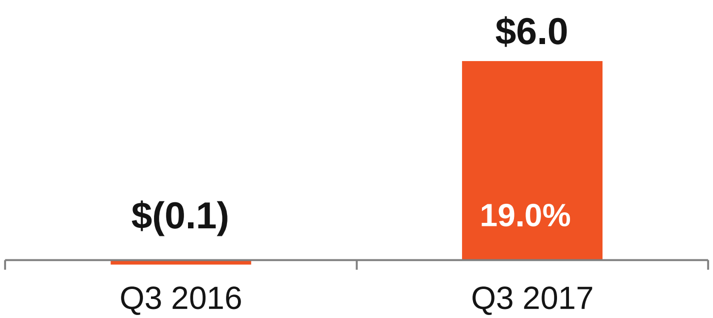
Sales



Gross Profit
& Margin



Operating Income
& Margin



- Includes $30.8 million of Enovation Controls sales
- On a pro forma basis, Enovation Controls realized 34% growth > Q3 2016
  - Increased end market demand
  - Proactive sales initiatives
  - New products
- Profitability impacted by higher costs associated with product development, the carve-out, and SOX implementation

YTD – Consolidated Results

($ in millions, except Adjusted EPS)

sun hydraulics CORPORATION

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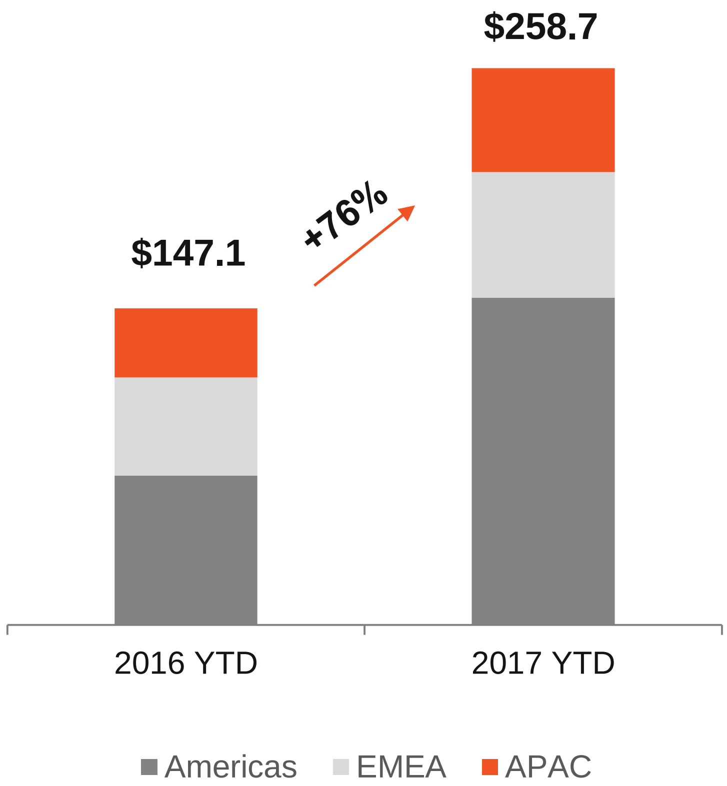
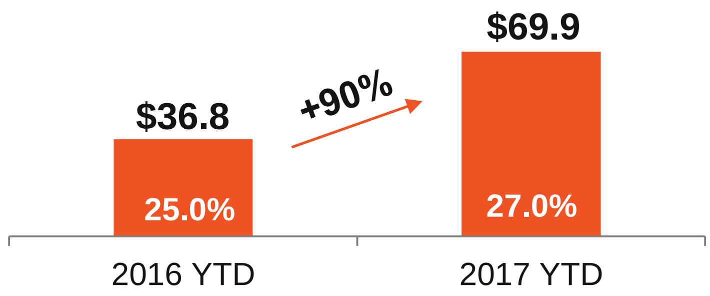
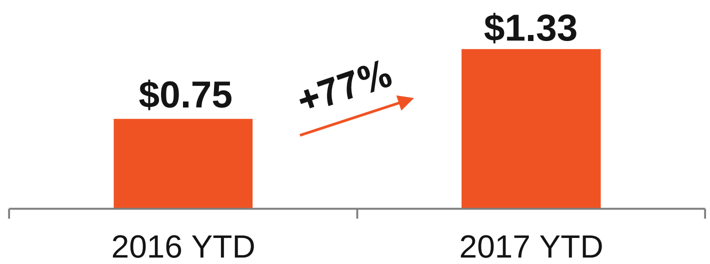
Sales



Adjusted EBITDA & Margin[(1)]



Adjusted EPS[(2)]



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YTD – Hydraulics Segment

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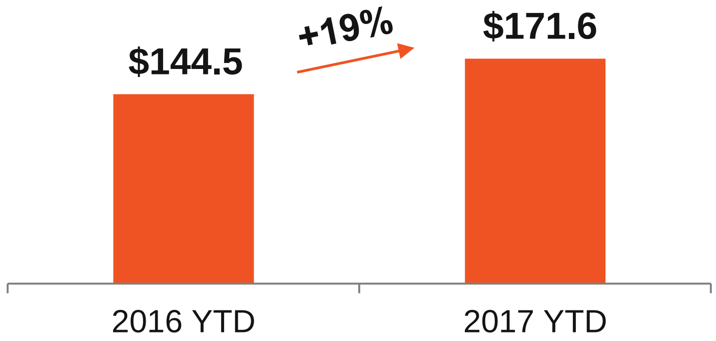
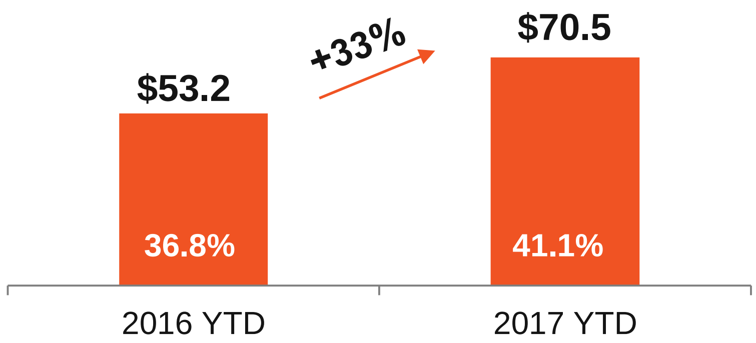
($ in millions)

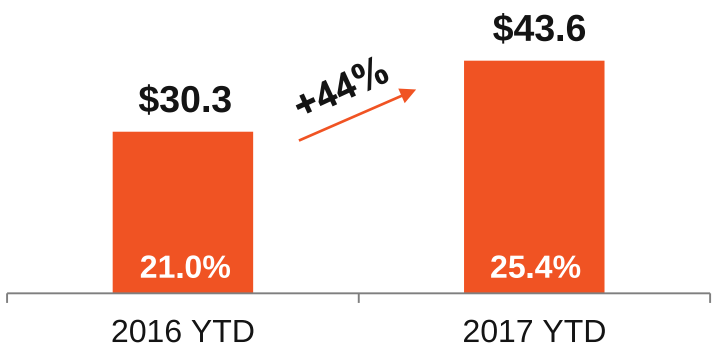
Sales



Gross Profit & Margin



Operating Income & Margin



- Sales growth in all geographic regions
  - APAC, EMEA and Americas up 36%, 9% and 17%, respectively
- Growth drivers
  - Increased demand & market expansion
  - Global sales and marketing initiatives
- Profitability benefiting from leverage on higher sales volume and cost reduction activities

YTD – Electronics Segment

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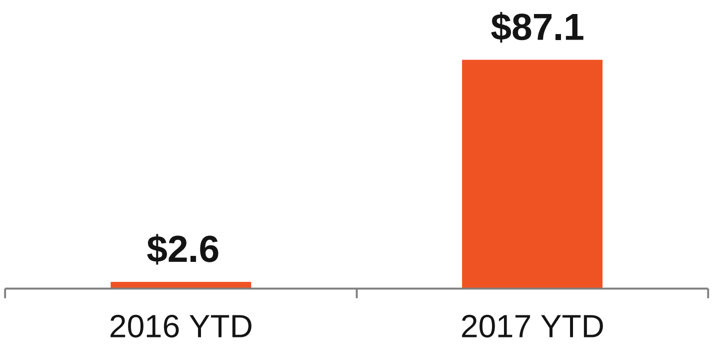
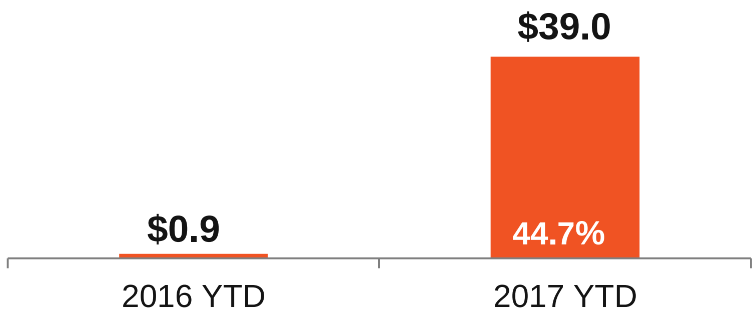
($ in millions)

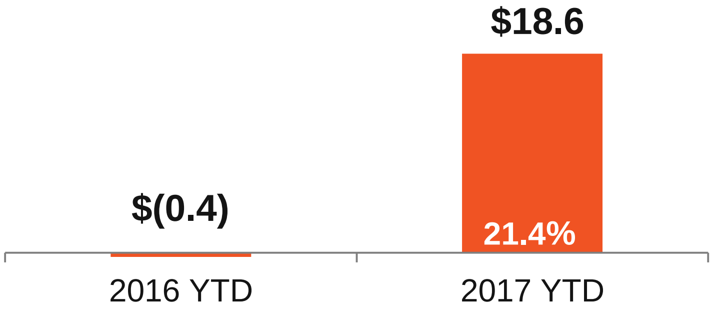
Sales



Gross Profit & Margin



Operating Income & Margin



- Includes $85.2 million of Enovation Controls sales
- On a pro forma basis, Enovation Controls realized 38% growth > YTD 2016
- Profitability exceeding initial expectations

Capitalization Review

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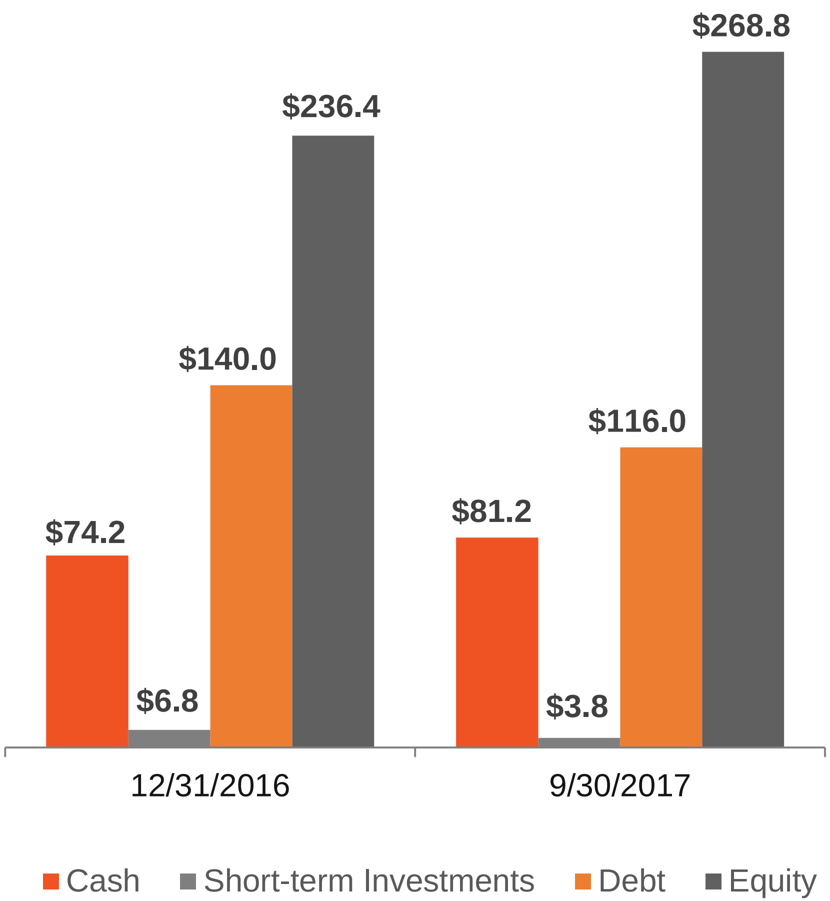
($ in millions)



- Generated $38.4 million of cash from operating activities YTD 2017; $31.3 million for YTD 2016
- $24 million of debt paid down YTD 2017, including $8 million in Q3
  - $184 million available on revolving credit facility at end of Q3, subject to leverage ratios
- Ongoing quarterly dividend anticipated
  - $0.09 per share/quarter

Outlook

Wolfgang H. Dangel

President and Chief Executive Officer

2017 Outlook – Favorable Global Economy

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- Leading indicators signal ongoing growth
  - US Industrial Production expected to continue accelerating into early 2018
  - US economy – all segments of the core economy are expanding
  - Rising global demand and higher commodity prices contributed to growth in nondefense capital goods new orders
  - Most global economies continue to be in accelerating growth phase, but slowing growth expected by the end of 2018
- US Construction sector reflects divergence between single unit housing starts and multi unit housing starts
- US Manufacturing sector growing, slower growth in some sectors expected in 2018
- US Electronics business indicators suggest growth, with some volatility

Sources: ITR Economics™ TrendsReport™ October 2017 and Institute of Printed Circuits Association

2017 Outlook, Continued

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- Visibility of Q4 gives confidence to raise 2017 revenue guidance
- Q4 seasonally weakest for Electronics segment
  - OEM holiday shut downs
- Combining HCT and Enovation Controls businesses in Tulsa
  - Q4 restructuring charges of ~$1.2 million
- Hurricanes had minimal impact on operations
  - Tempered by breadth and diversity of customer base
  - Presents potential mid-term reconstruction opportunity

2017 Guidance

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	Current Guidance[1]	Previous Guidance[2]
Consolidated revenue	\$330 – \$340 million	\$315 - \$330 million
Hydraulics segment revenue	\$225 - \$230 million	\$215 - \$225 million
Electronics segment revenue	\$105 - \$110 million	\$100 - \$105 million
Consolidated operating margin	22% - 24%[3]	22% - 24%[3]
Consolidated interest expense, before offsetting interest income	\$4.2 - \$4.4 million	\$4.2 - \$4.4 million
Effective tax rate	32% - 34%	32% - 34%
Capital expenditures	\$20 - \$25 million	\$20 - \$25 million
Depreciation	\$11 - \$12 million	\$12 - \$13 million
Amortization	\$8 - \$9 million	\$8 - \$9 million

(1) 2017 current guidance provided as of November 6, 2017
(2) 2017 previous guidance was provided as of August 7, 2017
(3) Operating margin is before acquisition-related amortization of intangibles

THIRD QUARTER 2017 EARNINGS

NOVEMBER 7, 2017

Supplemental Information

Segment Data

(Unaudited)

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($ in thousands)

	Three Months Ended September 30, 2017	Three Months Ended October 1, 2016	Nine Months Ended September 30, 2017	Nine Months Ended October 1, 2016
Sales:				
Hydraulics	$ 56,638	$ 44,402	$ 171,578	$ 144,500
Electronics	31,363	830	87,111	2,569
Consolidated	$ 88,001	$ 45,232	$ 258,689	$ 147,069
Gross profit and margin:				
Hydraulics	$ 22,869	$ 15,268	$ 70,468	$ 53,177
	40.4%	*34.4%*	*41.1%*	*36.8%*
Electronics	13,425	272	38,977	857
	42.8%	*32.8%*	*44.7%*	*33.4%*
Corporate and other	-	-	(1,774)	-
Consolidated	$ 36,294	$ 15,540	$ 107,671	$ 54,034
	41.2%	*34.4%*	*41.6%*	*36.7%*
Operating income and margin:				
Hydraulics	$ 13,487	$ 7,706	$ 43,618	$ 30,274
	23.8%	*17.4%*	*25.4%*	*21.0%*
Electronics	5,961	(134)	18,616	(372)
	19.0%	*-16.1%*	*21.4%*	*-14.5%*
Corporate and other	(2,046)	(329)	(8,347)	(329)
Consolidated	$ 17,402	$ 7,243	$ 53,887	$ 29,573
	19.8%	*16.0%*	*20.8%*	*20.1%*

Sales by Geographic Region & Segment

(Unaudited)

NASDAQ: SNHY

2017 Sales by Geographic Region and Segment

($ in millions)

	Q1	% of Total	Q2	% of Total	Q3	% of Total	2017	% of Total
Americas:								
Hydraulics	$ 24.7		$ 28.2		$ 25.3		$ 78.2	
Electronics	22.6		24.5		26.8		73.9	
Consol. Americas	47.3	58%	52.7	59%	52.1	59%	152.1	59%
EMEA:								
Hydraulics	17.1		16.6		16.1		$ 49.8	
Electronics	3.0		2.6		2.9		8.5	
Consol. EMEA	20.1	25%	19.2	22%	19.0	22%	58.3	22%
APAC:								
Hydraulics	12.3		16.0		15.2		$ 43.5	
Electronics	1.7		1.4		1.7		4.8	
Consol. APAC	14.0	17%	17.4	19%	16.9	19%	48.3	19%
Total	$ 81.4		$ 89.3		$ 88.0		$ 258.7	

2016 Sales by Geographic Region and Segment

($ in millions)

	Q1	% of Total	Q2	% of Total	Q3	% of Total	Q4	% of Total	2016	% of Total
Americas:										
Hydraulics	$ 23.9		$ 22.5		$ 20.6		$ 21.1		$ 88.1	
Electronics	0.8		0.9		0.8		4.2		6.7	
Consol. Americas	24.7	48%	23.4	46%	21.4	47%	25.3	51%	94.8	48%
EMEA:										
Hydraulics	15.7		15.8		14.0		12.8		58.2	
Electronics	-		-		-		0.5		0.5	
Consol. EMEA	15.7	31%	15.8	31%	14.0	31%	13.3	27%	58.7	30%
APAC:										
Hydraulics	10.6		11.6		9.8		11.1		43.2	
Electronics	-		-		-		0.2		0.2	
Consol. APAC	10.6	21%	11.6	23%	9.8	22%	11.3	23%	43.4	22%
Total	$ 51.0		$ 50.8		$ 45.2		$ 49.9		$ 196.9	

Adjusted EBITDA Reconciliation

(Unaudited)

NASDAQ: SNHY

($ in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income	**$ 11,295**	**$ 4,989**	**$ 28,790**	**$ 20,186**
Net interest expense (income)	1,121	(298)	2,710	(1,056)
Income taxes	4,683	2,568	13,231	10,160
Depreciation and amortization	4,704	2,516	16,333	7,550
EBITDA	**21,803**	**9,775**	**61,064**	**36,840**
Change in fair value of contingent consideration	664	-	8,855	-
Adjusted EBITDA	**$ 22,467**	**$ 9,775**	**$ 69,919**	**$ 36,840**
Adjusted EBITDA margin	*25.5%*	*21.6%*	*27.0%*	*25.0%*

Non-GAAP Financial Measure:

Adjusted EBITDA is defined as consolidated net income before net interest expense/income, income taxes, depreciation and amortization, and acquisition-related contingent consideration. Adjusted EBITDA margin is Adjusted EBITDA divided by sales. Adjusted EBITDA and Adjusted EBITDA margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Sun believes that providing non-GAAP information such as Adjusted EBITDA and Adjusted EBITDA margin are important for investors and other readers of Sun's financial statements, as they are used as analytical indicators by Sun's management to better understand operating performance. Because Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures and are thus susceptible to varying calculations, Adjusted EBITDA and Adjusted EBITDA margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Adjusted Net Income Reconciliation

(Unaudited)

NASDAQ: SNHY

($ in thousands)

	Three Months Ended September 30, 2017	Three Months Ended October 1, 2016	Nine Months Ended September 30, 2017	Nine Months Ended October 1, 2016
Net income	**$ 11,295**	**$ 4,989**	**$ 28,790**	**$ 20,186**
Acquisiton-related amortization of inventory step-up	-	-	1,774	-
Change in fair value of contingent consideration	664	-	8,855	-
Tax effect	(219)	-	(3,508)	-
Adjusted net income	**$ 11,740**	**$ 4,989**	**$ 35,911**	**$ 20,186**
Adjusted net income per diluted share	**$ 0.43**	**$ 0.19**	**$ 1.33**	**$ 0.75**

Non-GAAP Financial Measure:

Adjusted Net Income is defined as GAAP net income excluding acquisition-related charges. Adjusted Net Income is not a measure determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Sun believes that providing non-GAAP information such as Adjusted Net Income is important for investors and other readers of Sun's financial statements, as they are used as analytical indicators by Sun's management to better understand operating performance. Because Adjusted Net Income is a non-GAAP measure and is thus susceptible to varying calculations, Adjusted Net Income, as presented, may not be directly comparable to other similarly titled measures used by other companies.