



Baird Global Industrial Conference November 2022
Paul Sternlieb, President & CEO and Tony Colucci, EVP & CFO

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 Enerpac Tool Group’s Securities and Exchange Commission filings.

All estimates of future performance are as of September 28, 2022. Enerpac Tool Group’s inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.

A Global Leader in Industrial Tools and Services

110+

YEARS OF
HISTORY

**Menomonee
Falls, WI**

HEADQUARTERS

~2,200

EMPLOYEES

300+

YEARS OF LEADERSHIP
TEAM EXPERIENCE

100+

OF COUNTRIES
SOLD INTO

**Global leader in high
precision tools, controlled
force products and
solutions for precise heavy
lifting.**

Products

Cylinders/Jacks,
Pumps, Bolting
Tools, Presses,
Pullers, Tools, Heavy
Lifting Technology

Service and Rental

Bolting,
machining and
joint integrity

Extensive Global Distribution

1,500+ long-standing
distribution relationships

3,500+ distributor
locations

Diversified Customer Base

Specialty Dealers

National
Distribution

Large OEMs

**STRONG
BRAND
RECOGNITION**

ENERPAC 

Premium Industrial Tools
Heavy Lifting

hydratight

Service
Rental
Training

CORTLAND

Medical
Industrial Ropes

Revenue Mix

~80%



Tools

~20%



Service

Manpower

Rental

Wide Array of Durable and Reliable Products

Bolting



Cylinders



Heavy Lift



Presses



Pumps



Work Holding



Pullers



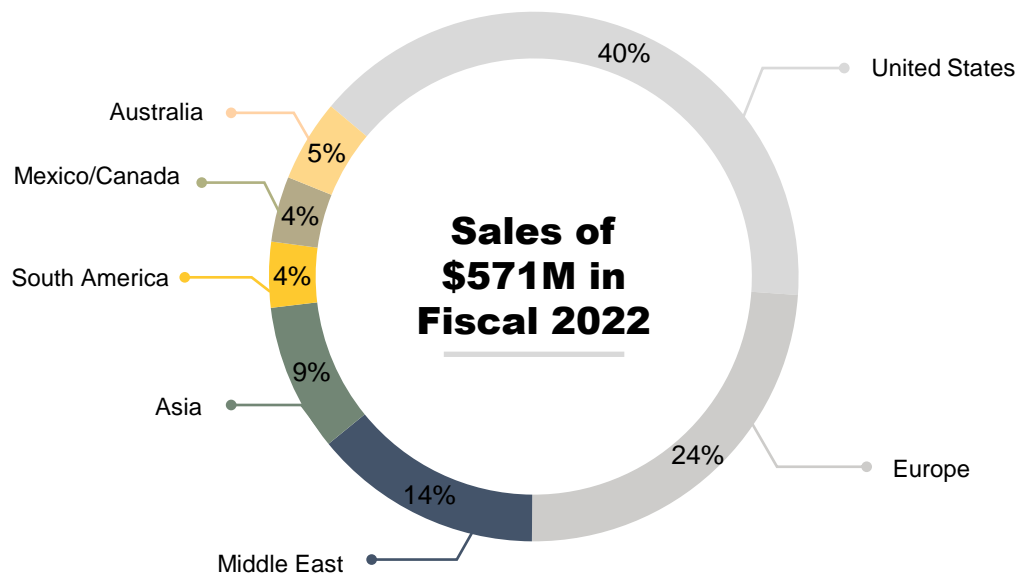
Spreaders



Cutters



Enerpac Tools and Services benefit from having a diverse geographic customer base



Geographic diversification of sales reduces overall exposure to regional economic downturns

Opportunities for further geographic expansion

Extensive Global Distribution



**1,500+
distributors**



**3,500+
points of sale**



**100+
countries**



**Global distribution network
is a competitive advantage**

- **One of the most robust distribution networks in the competitive space**
- **Application experts with hands-on product demonstrations**
- **Local access to world-class tools quickly and conveniently**
- **Sale and rental of the right tools when & where customers need them**
- **Ability to support global customers in all regions**

Growth Opportunities in Broad Vertical Markets

13 VERTICAL END MARKETS



Civil Construction



Power Gen/
Wind



Oil & Gas



Off-Highway
Vehicle Repair



Industrial MRO



On-Highway
Vehicle Repair



Manufacturing
and Machine
Tools



Paper/Wood



Mining



Military



Aerospace

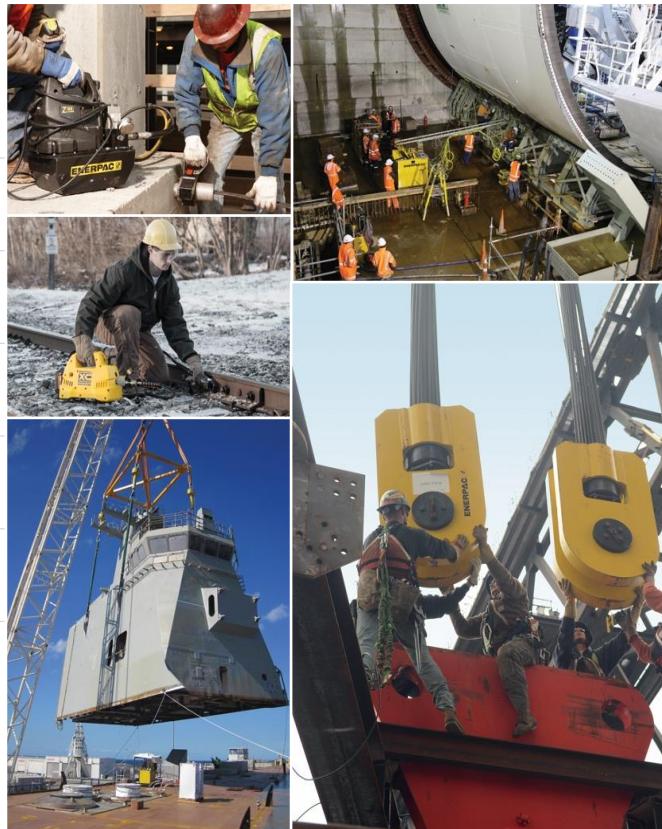


Steel & Metal

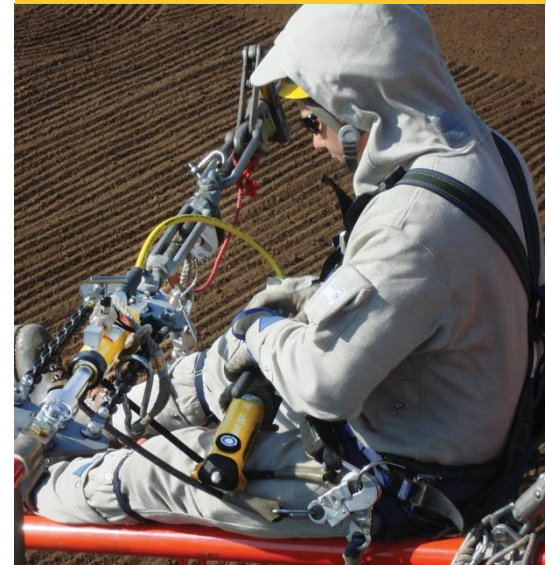


Rescue

Seeing favorable trends in several of our
key end markets



**Large, fragmented vertical
markets provide growth
opportunities, both organic
and inorganic**



NEVER COMPROMISE



Where We Participate

- Roads and Bridges
- Rail
- Commercial Construction
- Electrical Distribution
- Water
- Airports
- Port Facilities



Premium Product Offering

- Known for precision, durability, and safety
- Strong brand recognition within lifting, pulling, positioning, and cutting
- Well positioned to take advantage of increased government infrastructure spend



Jack Up System



ZU Pump



Rail Stressor



Where We Participate

- Manufacturing
- Transport
- Installation
- Maintenance
- Decommissioning



Premium Product Offering

- Known for precision, durability, and safety
- Strong brand recognition within lifting, positioning and torque and tension
- Well positioned to take advantage of increased focus on renewable energy



NEW PRODUCT DEVELOPMENT

- Enerpac Connect and our connected product strategy integral to all new products
- Focusing on innovation through extensive user research and a dedicated Advanced Technology Development team
- Focus on truly impactful and significant programs that solve users' problems and improve productivity
- Developing common subsystems and families of components to accelerate future product development and drive standardization



Machine Skates



E-Mover



SBL 600 Gantry



Battery Bar Cutter



RC Trio



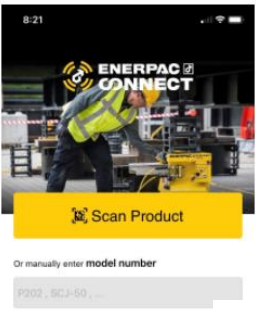
XLP Press

KEY OBJECTIVES OF ENERPAC NPD

- Create value for end users by simplifying the “job to be done,” leveraging deep VOC insight
- Develop and launch highly differentiated products with proprietary technology
- Create profitable incremental revenue streams that are complementary to existing offerings and leverage our channel
- Maintain and enhance Enerpac’s leading position in the market

Enerpac Connect™

- SmartID tags and Connect app are foundations for the future of Smart Tools, IoT data, and closer ‘connection’ with our customers
- Ultimately, opportunities to drive growth in digital future
- Initial foundation built, with additional features over time such as the following:



“Smart” Tools

Tools working together as systems, e.g.,

- Synchronized lifting systems using independent pumps working together
- Torque wrench and pump identify each other, simplify job setup and control
- Pendant configurations change to suit job type, equipment type, etc.
- Built-in sensors, closed-loop control systems



Connected Tools

Bluetooth and wireless technology built into certain tool types, connecting to Enerpac App:

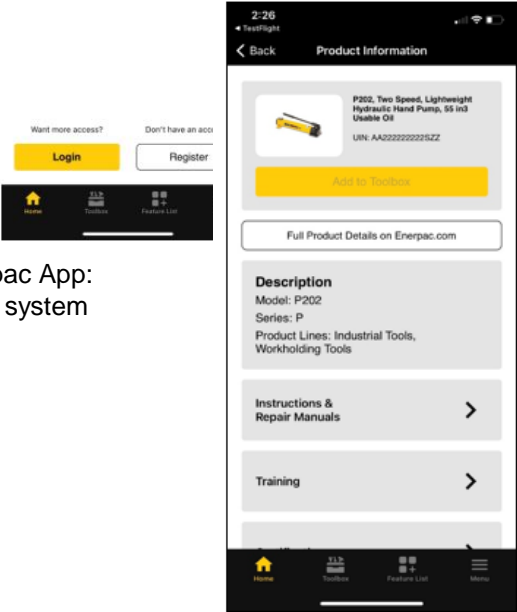
- Tool set-up/maintenance and configuration/calibration, e.g., synchronous lifting system
- Real-time wireless control, wireless pendants, pumps, etc.
- Tool location and identification



Job Reporting

Recording job details, preparing and exporting reports

- Torques applied to specific joints
- Machining operations completed
- Time taken; consumables used
- Operator ID, qualifications





ASCEND Transformation Program

- Completed a deep-dive review of the business and markets, where we looked at all aspects of our business
 - Spent the last several months evaluating commercial opportunities, operations and footprint, support functions and organizational structure
- Identified meaningful opportunities to meet or exceed our 25% EBITDA margin target
- Announced ASCEND program focused on driving accelerated growth and EBITDA
 - Expect total incremental annualized adjusted EBITDA of \$40-50 million
 - Run-rate expected to be achieved by Fiscal 2025
- Expect to invest \$60-\$65 million over the program period*
- Continuing to pursue key initiatives in addition to ASCEND to drive growth and efficiency
- Moved from design stage to implementation stage with contributions from all levels of the organization
- Further information to be provided at Investor Day
- ASCEND is a transformation program, much more than a restructuring program

ASCEND

ASCEND has three key broad initiatives:

1 Accelerating organic growth go-to-market strategies

- Improved commercial effectiveness
- Vertical market-specific commercial and product strategies
- Channel optimization using 80/20 approach
- Strategic pricing optimization
- Selective innovation to meet broader and emerging market demands

2 Improving operational excellence and production efficiency by utilizing a Lean approach

- Business simplification through further footprint optimization
- Accelerating global strategic sourcing and indirect spend optimization
- Rationalizing SKU's using 80/20 approach

3 Driving greater efficiency and productivity in SG&A by better leveraging resources to create a more efficient and agile organization

- Optimize General & Administrative costs through consolidation and additional shared services implementation
- Strengthen salesforce effectiveness by enhancing sales and channel coverage and flattening structure – being closer to our customers
- Legal entity rationalization

In addition to the ASCEND program, we will continue to focus on several key organic growth initiatives

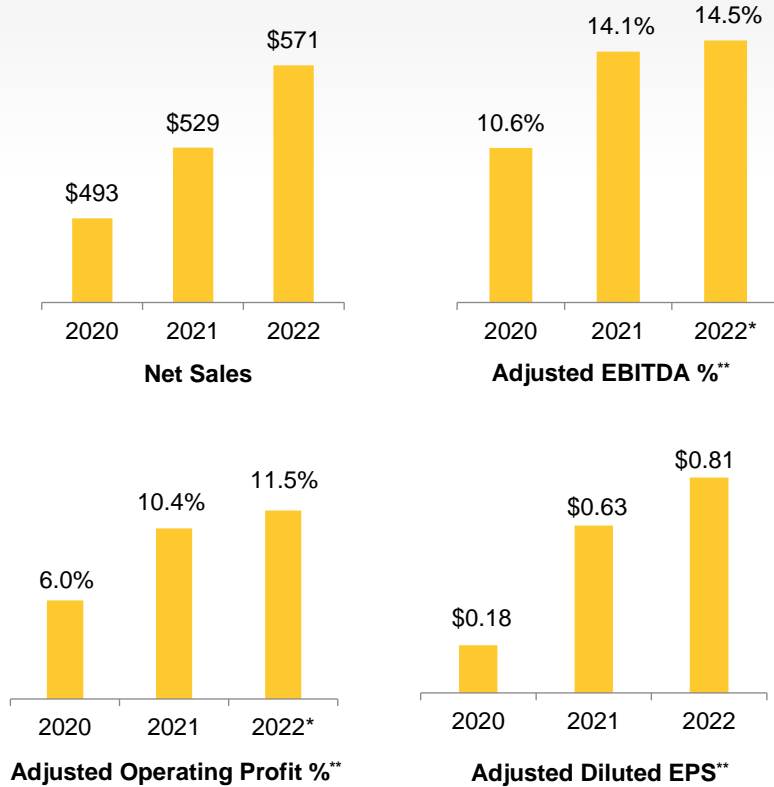
- Enhanced New Product Development
- Digital and IOT enablement in products, services and go-to-market strategy
- Stronger regional growth strategies in developing markets

And we intend to continue to pursue inorganic growth opportunities to enhance growth



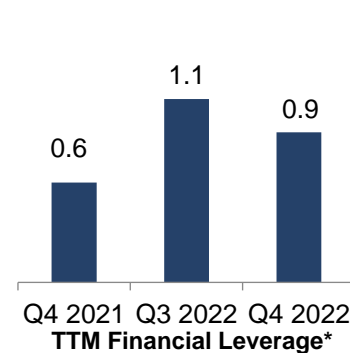
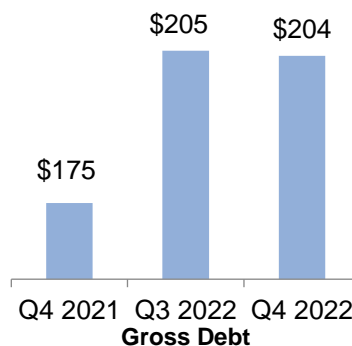
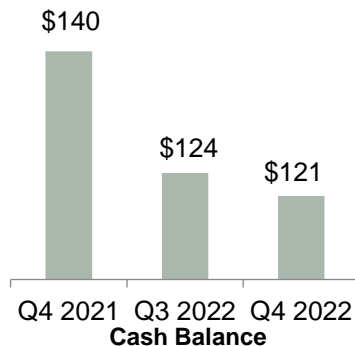
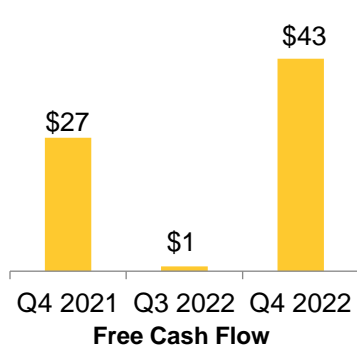
Fiscal 2022 Comparable Results

(US\$ in millions except EPS)



Fourth Quarter 2022 Liquidity – Positioned for Success

(US\$ in millions)



Free Cash Flow (FCF)

- \$7M decrease in accounts receivable in the quarter, driven by strong collections in Q4 (excluding FX)
- Inventory remained flat compared to the third quarter (excluding FX)
- \$8M increase in accounts payable (excluding FX)

Leverage

- Remain well below target range of 1.5-2.5x
- Refinanced credit facility in September

Return on Invested Capital – Deploying Capital to Create Long-Term Sustainable Returns



**Invest in Ourselves to
Drive Organic Growth**



**Disciplined M&A within
Industrial Tools Space**



**Reduce Debt and Maintain
a Strong Balance Sheet**



**Opportunistic Share
Buybacks**

**Goal of enhancing Enerpac's
position as a premier industrial
tools and services company
and its commitment to
sustainable shareholder value
creation**





Share Repurchase Program

- Board of Directors has approved a new share repurchase program of up to 10 million shares, which replaces the previous program that was paused during COVID-19
- Reauthorization and intent to repurchase shares remains an important part of capital allocation
- Reflects Board's confidence in our strong financial position and cash generating abilities as we embark on our ASCEND program
- We expect that our available cash, existing credit facilities and access to capital markets will also support a disciplined M&A strategy as we continue to identify complementary additions to the Enerpac Tool Group portfolio
- Repurchased ~3.8 million shares in fiscal 2022 for total of \$75 million



DISCIPLINED STRATEGY

- Commitment to pure-play industrial tools and services
- Targeting adjacent bolt-on and strategic acquisitions with high degree of complementarity
- Any target must meet our financial and operational criteria
- Margins in line with Enerpac line average

DRIVING GROWTH THROUGH M&A

- Goal is to become larger, more meaningful provider in our space
- We target acquisitions to support the growth in verticals, provide technology opportunities, or expand geographic coverage which gives Enerpac a competitive advantage

STRONG BALANCE SHEET

- Will maintain strong financial position
- Current liquidity gives us ample capacity between our cash on hand, existing credit facilities and access to debt markets

Investing in strategic acquisitions through a disciplined process to capture new growth opportunities





Strong Business Model

built on well recognized brands, robust global distribution, and broad reach of end markets



Pure-Play Industrial Tools Strategy

to drive core growth above market and expand margins



Disciplined Capital Deployment

powered by strong balance sheet and free cash flow conversion



Experienced Leadership Team

capable of executing to win



**BEST IN
CLASS
RETURNS**

**ENERPAC
TOOL GROUP
INVESTOR
DAY 2022**

Please register to attend at <https://www.enerpactoolgroup.com/investor-day-22-registration/>

Appendix

Reconciliation of Non-GAAP Measures

(US\$ in millions)

Adjusted EBITDA

	2020	2021	2022
Net Earnings	\$6	\$40	\$20
Net Financing Costs	\$19	\$5	\$4
Income Taxes	\$2	\$4	\$4
Depreciation & Amortization	\$21	\$22	\$20
Restructuring Charges	\$8	\$2	\$8
Impairment/Divestiture	(\$3)	\$6	\$2
ASCEND charges	\$0	\$0	\$14
Leadership Transition & Board Search Charges	\$0	\$1	\$8
Business Review Charges	\$0	\$0	\$3
Gain on Sale of Facility, Net of Transaction Charges	\$0	(\$5)	(\$1)
Pension Curtailment	(\$1)	\$0	\$0
Adjusted EBITDA	<u>\$52</u>	<u>\$75</u>	<u>\$83</u>
Adjusted EBITDA Margin	10.6%	14.1%	14.5%

Adjusted Operating Profit

	2020	2021	2022
Operating Profit	\$24	\$51	\$31
Restructuring Charges	\$8	\$2	\$8
Impairment/Divestiture	(\$3)	\$6	\$2
ASCEND charges	\$0	\$0	\$14
Leadership Transition & Board Search Charges	\$0	\$1	\$8
Business Review Charges	\$0	\$0	\$3
Gain on Sale of Facility, Net of Transaction Charges	\$0	(\$5)	(\$1)
Adjusted Operating Profit	<u>\$30</u>	<u>\$55</u>	<u>\$66</u>
Adjusted Operating Profit Margin	6.0%	10.4%	11.5%

Adjusted Earnings Per Share

	2020	2021	2022
Net Earnings	\$ 0.09	\$ 0.67	\$ 0.33
Restructuring Charges	\$ 0.11	\$ 0.03	\$ 0.11
Impairment/Divestiture	\$ (0.04)	\$ 0.09	\$ 0.04
ASCEND charges	\$ -	\$ -	\$ 0.17
Leadership Transition & Board Search Charges	\$ -	\$ 0.01	\$ 0.12
Business Review Charges	\$ -	\$ -	\$ 0.04
Gain on Sale of Facility, Net of Transaction Charges	\$ -	\$ (0.04)	\$ (0.01)
Pension Curtailment	\$ (0.01)	\$ -	\$ -
Purchase Accounting Inventory Step Up Charge	\$ 0.01	\$ -	\$ -
Accelerated Debt Issuance Costs	\$ 0.02	\$ -	\$ -
Other Income Tax (Benefit) Expense	\$ -	\$ (0.14)	\$ -
Adjusted Earnings Per Share	<u>\$ 0.18</u>	<u>\$ 0.63</u>	<u>\$ 0.81</u>

ENERPAC  [®]

TOOL GROUP