



Fiscal 2017 Fourth Quarter Earnings

September 27, 2017

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NYSE

Safe Harbor

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All estimates of future performance are as of September 27, 2017. 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 financial schedules at the end of this presentation or accompanying the Q4 Fiscal 2017 earnings press release for a reconciliation to the appropriate GAAP measure.

Fourth Quarter 2017 Highlights



- Reached agreement to divest Viking, acquire Mirage in line with strategic priorities
- Streamlined leadership structure to leverage resources and speed decision making
- Adjusted diluted EPS (excluding restructuring and other charges) of \$0.19, within guidance range
- Consolidated core sales flat year-over-year
 - Industrial: strong industrial tools sales
 - Energy: continued MRO deferrals
 - Engineered Solutions: benefit of robust OEM production
- 17th consecutive year of free cash flow in excess of 100% of net earnings

Impairment and Restructuring Impact

(US\$ in millions except EPS)

	GAAP	Remove Impairment and Divestiture Charges	Remove Restructuring Charges	Adjusted
Sales	\$275.7			\$275.7
Operating (Loss) Profit	(\$99.2)	\$117.0	\$1.8	\$19.6
Income Taxes	(\$9.7)	(\$8.1)	(\$0.5)	(\$1.1)
Net (Loss) Income	(\$98.8)	\$108.9	\$1.3	\$11.4
<i>Effective tax rate</i>	<i>-9%</i>	<i>7%</i>	<i>28%</i>	<i>-10%</i>
Diluted EPS	(\$1.65)	\$1.82	\$0.02	\$0.19

- Viking impairment and divestiture charges include:
 - Charge to settle lease obligations
 - Net asset write-down
 - Currency translation realization and other charges
- Restructuring charge, largely Hydratight focused

Fourth Quarter Comparable Results

(US\$ in millions except Diluted EPS)

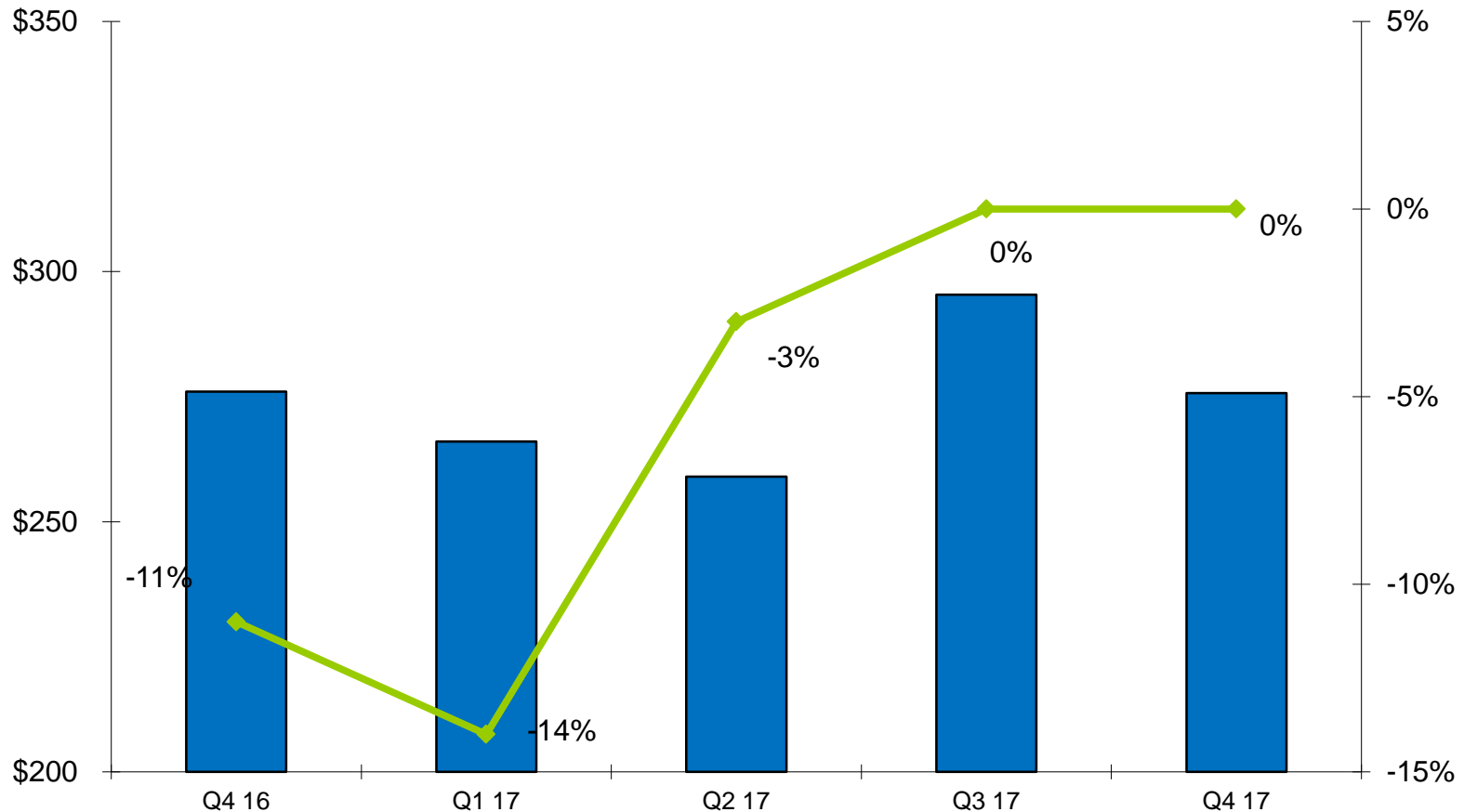
	<u>F' 2016</u>	<u>F' 2017</u>	<u>Change</u>
Sales	\$276	\$276	0%
Adjusted Op Profit	\$26 9.6%	\$20 7.1%	-26% (250) bps
Adjusted Diluted EPS	\$0.30	\$0.19	-37%

Excluding restructuring, impairment and divestiture charges

Core Sales Trend

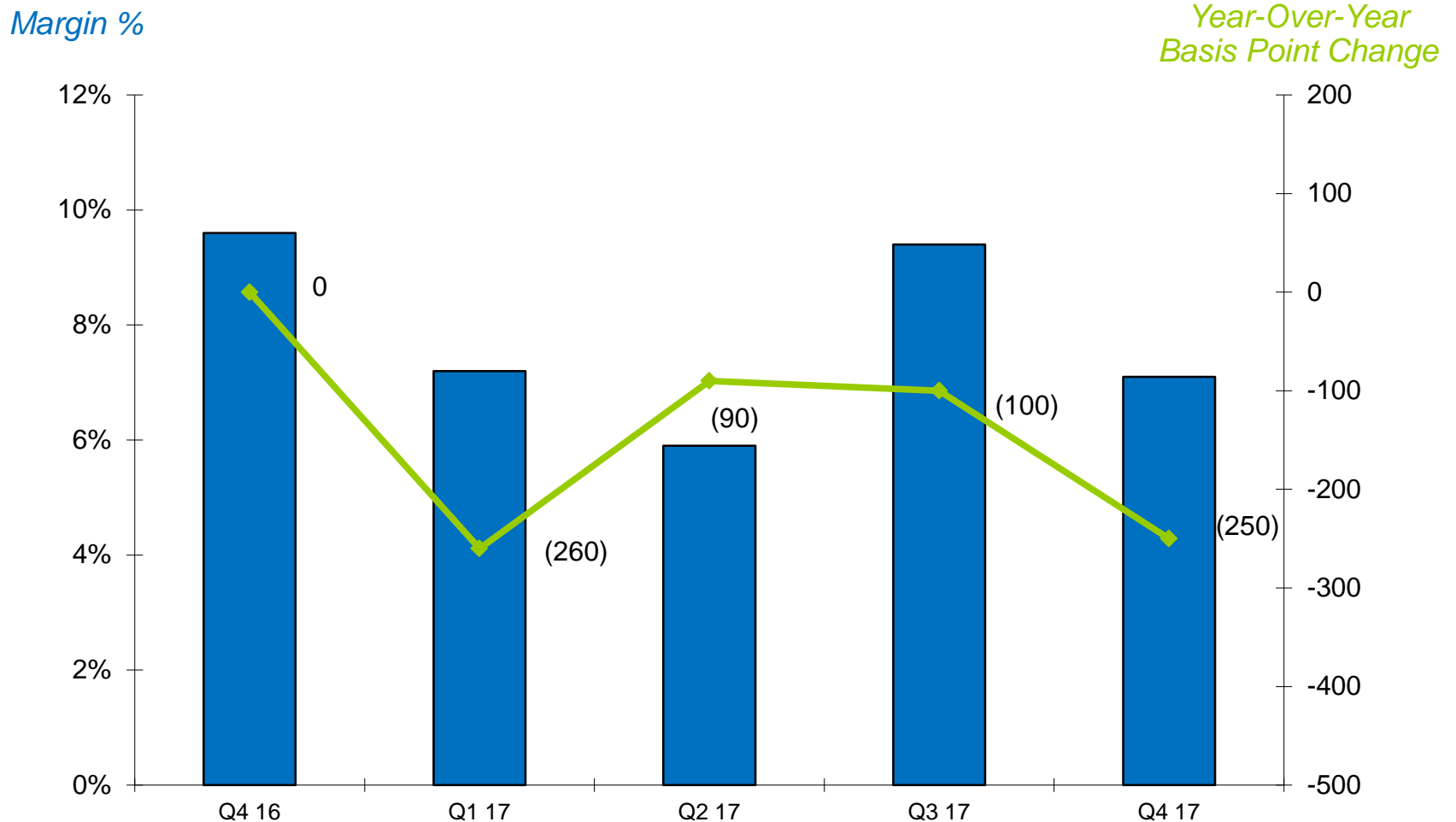
Sales (US\$ in millions)

Year-over-Year
Core Sales



Strong year-over-year growth in Industrial and Engineered Solutions, Energy comparisons and market conditions remain difficult

Adjusted Operating Profit Margin Trend (1)



Margins impacted by significantly lower Energy volumes

(1) Excluding impairments, restructuring and transition charges

Industrial Segment

- Core sales rate of change trend in industrial tools sequentially improved on end market demand and targeted commercial efforts
- Heavy Lifting Technology sales declined substantially while concrete tensioning related core sales were down modestly
- Margins reflect expected incrementals on standard tools, partially offset by operating inefficiencies associated with facility consolidations and investments in growth initiatives

ENERPAC 

LARZEP

milwaukee
Cylinder

SIMPLEX

**PRECISION-HAYES
INTERNATIONAL**



Financial Snapshot

(US\$ in millions)

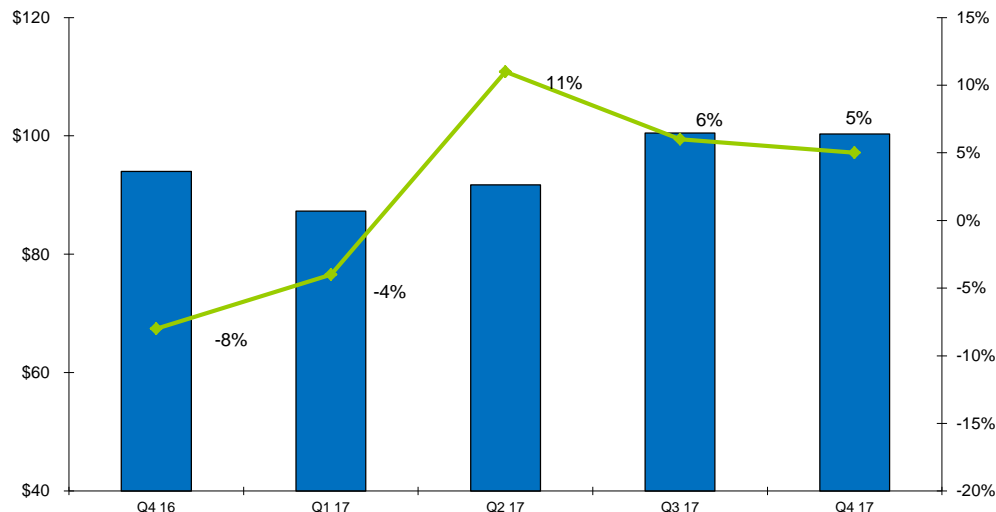
	4th Quarter		y-o-y change
	2017	2016	
Sales	\$100	\$94	7%
Adj Op Income ⁽¹⁾	\$24.1	\$22.1	9%
Adj Op Margin ⁽¹⁾	24.0%	23.6%	40 bps

(1) Excludes restructuring charges of \$1.4 in 2016.

Sales Trend

Sales

Core Sales



Energy Segment

- Prolonged oil & gas downturn impacting both upstream and maintenance customer spending
- Hydratight difficult comparisons and progressively lower / delayed / deferred maintenance activity
- Upstream/offshore activity down significantly while growth in non-oil & gas markets continued
- Margins impacted by lower volumes, unfavorable mix, low labor and rental tool utilization and provision for bad debt (bankruptcy).



Financial Snapshot

(US\$ in millions)

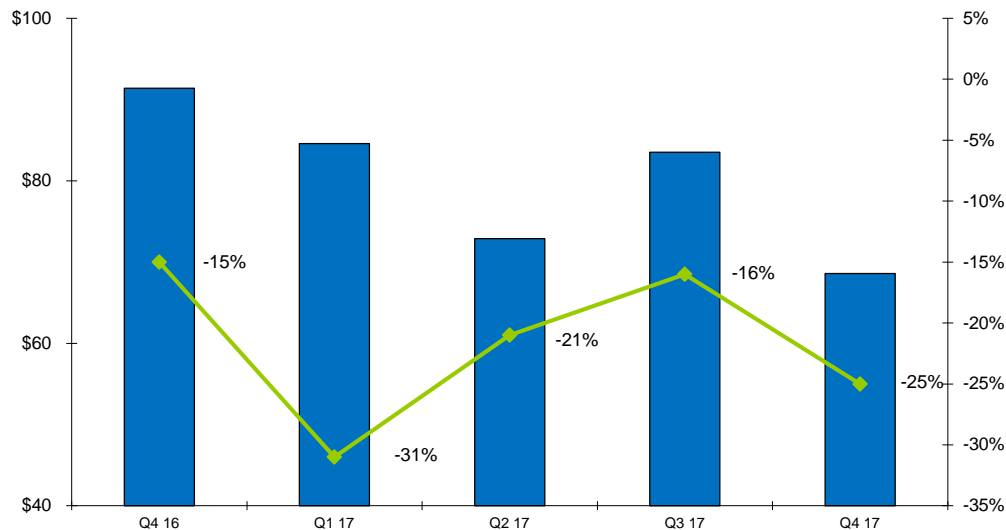
	4th Quarter		y-o-y change
	2017	2016	
Sales	\$69	\$91	-25%
Adj Op Income ⁽¹⁾	(\$3.7)	\$8.9	-141%
Adj Op Margin ⁽¹⁾	-5.4%	9.8%	(1520) bps

(1) Excludes restructuring charges of \$1.9 and \$0.7 in fiscal 2017 and 2016, respectively. 2017 also excludes \$117.0 in impairment and divestiture charges.

Sales

Sales Trend

Core Sales



Engineered Solutions Segment

- Higher customer production rates across off-highway equipment including agriculture, construction, etc
- Continued robust growth in heavy-duty truck, largely China, Europe flattish
- Strong margin improvement reflects both higher volume and benefit of cost reduction actions

Financial Snapshot

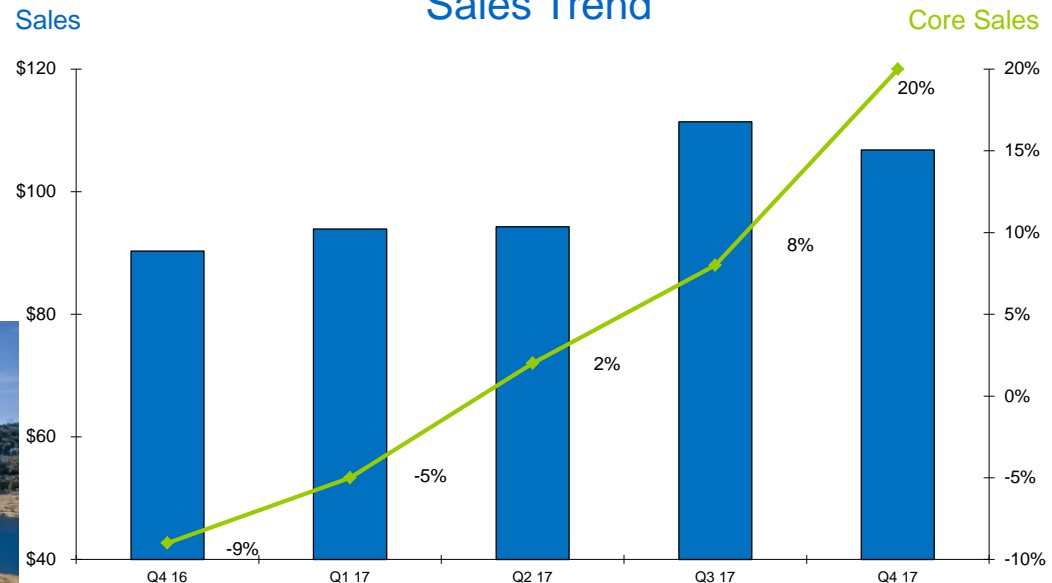
(US\$ in millions)

	4th Quarter		
	2017	2016	y-o-y change
Sales	\$107	\$90	18%
Adj Op Income ⁽¹⁾	\$6.1	\$0.9	578%
Adj Op Margin ⁽¹⁾	5.7%	1.0%	470 bps

(1) Excludes restructuring charges of \$(0.1) and \$0.9 in 2017 and 2016, respectively. Also excludes \$5.1 loss on Sanlo divestiture.



Sales Trend



Fourth Quarter Cash Flow / Net Debt

(US\$ in millions)

Free Cash Flow

Adjusted EBITDA	\$29
Capital Expenditures	(5)
Cash Interest	(11)
Cash Taxes	(1)
Working Capital/Other	20
Free Cash Flow	<u>\$32</u>

Net Debt Reconciliation

Net Debt - May 31, 2017	\$370
FX/Other	(6)
Free Cash Flow	<u>(32)</u>
Net Debt - Aug 31, 2017	<u>\$332</u>
Net Debt/EBITDA ⁽¹⁾	2.7

(1) Excluding restructuring, impairment charges, transition costs and divestiture loss in accordance with credit agreement leverage calculation

Good working capital management, modest decline in net debt leverage

Fiscal 2017 – Full Year Results in Summary ⁽¹⁾

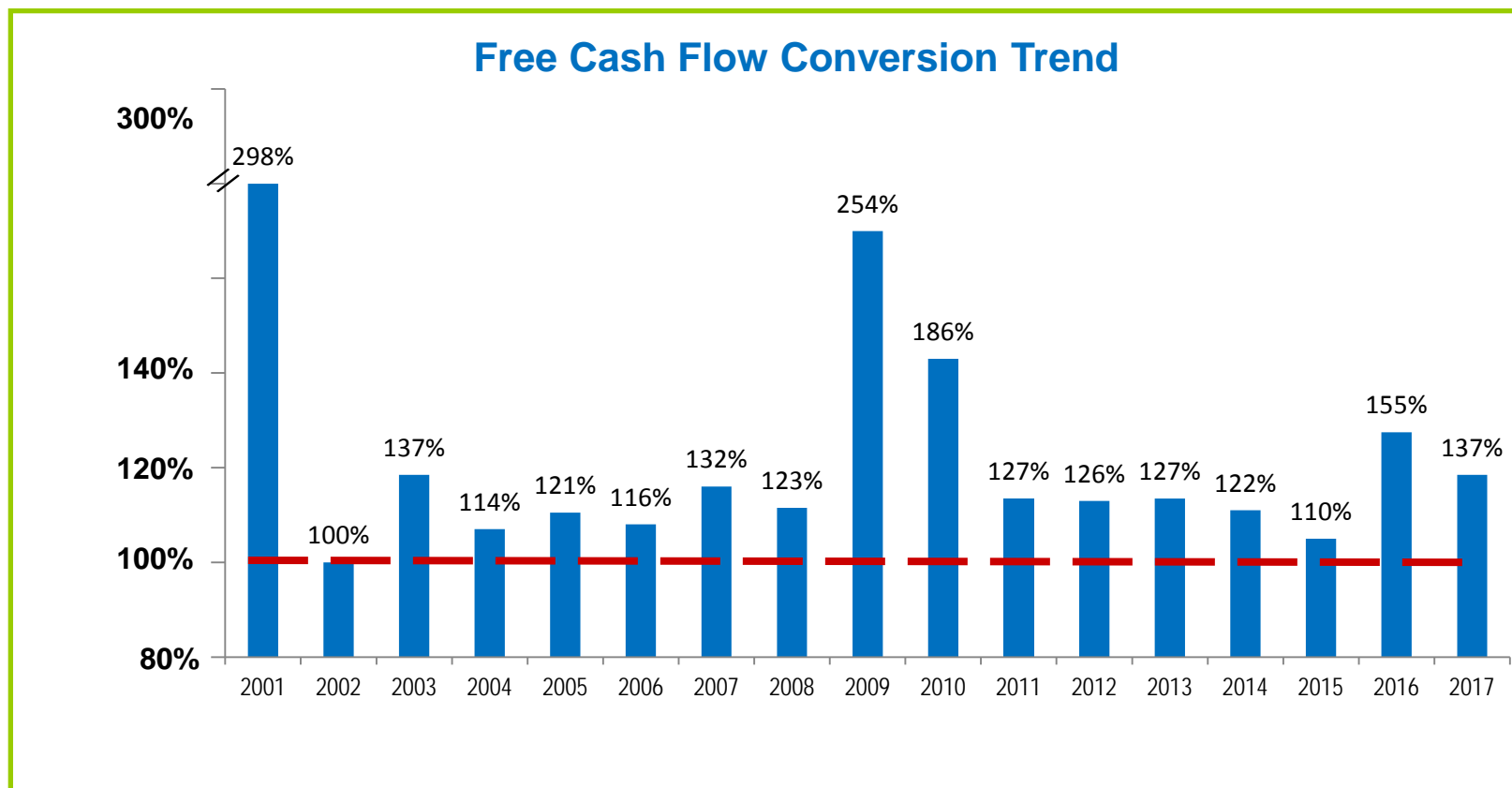
(US\$ in millions except EPS)

	F' 2016	F' 2017	Change	Original 2017 Guidance
Sales	\$1,149	\$1,096	-5%	\$1,075-1,125
Adj. EBITDA	\$152 13.2%	\$122 11.1%	-20% (210) bps	\$145-160
EPS	\$1.22	\$0.83	-32%	\$1.00-1.20
Free Cash Flow	\$112	\$68	-39%	\$85 - 95
Core Sales				
Industrial	(10)%	+5%		flat to +3%
Energy	(2)%	(23)%		(12)% to (15)%
ES	(6)%	+6%		(2)% to +1%

In Summary, a Mixed Year. Great Sales Momentum Across Industrial and Engineered Solutions, Energy Results Negated Benefit

(1) Excludes restructuring charges in both periods, one time tax items, impairments, divestitures and other charges.

17th Consecutive Year of 100%+ Conversion



Despite Difficult Results, Cash Flow Conversion Remains a Hallmark,
Providing Fuel for Future Growth

New Product Launches and Other Awards



New series of High Tonnage Cylinders –with varying profiles and features such as locking mechanisms



Low Clearance Cylinders – ultra flat design



Multi-Stage Telescopic Cylinders – for low initial clearance yet large extensions



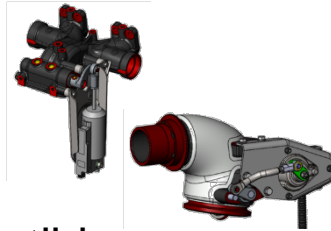
Portable Torque Wrench field calibration for pneumatic, electric & cordless torque multipliers

John Deere Large Square and Round Baler



GITS Valves (SOP 2019) for Large EU Truck OEM

- EGR - Valves
- Exhaust Brakes
- Engine Brakes
- Throttle Valves



BMW 4-Series Convertible (SOP 2020)



Macro Industry Dynamics

- Oil & Gas

- Oil prices remain stable at low levels
- Cash constrained customers continue MRO/op ex spending deferrals / cuts
- No change to offshore cap ex

- Off-Highway Mobile Equipment

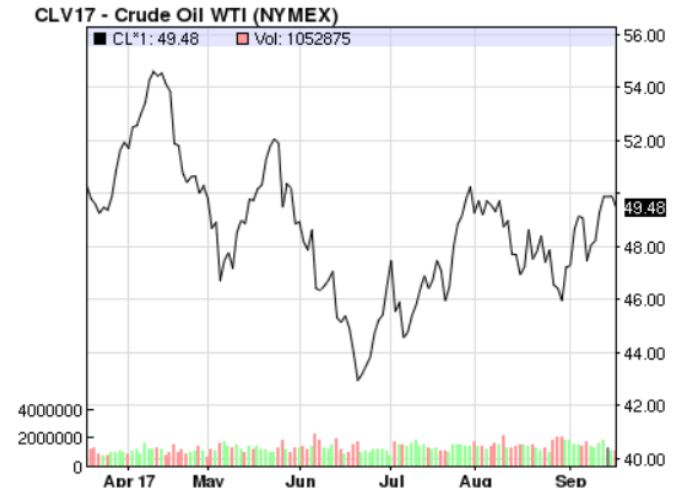
- Steady improvement in build rates as inventory reduction efforts end and end markets show modest improvements off low base (agriculture, construction, mining, forestry, other off-highway)

- General Industrial

- General industrial activity continues to improve, distributor optimism, good sell-through demand

- On-Highway

- China on-highway truck strong but beginning to level out, Europe registrations flattish



Fiscal 2018 Core Sales Expectations

Core Growth	2017	2018(guide)	2018 1H	2018 2H
Industrial	5%	4% - 6%	+MSD	+LSD
Energy	(23)%	(5)% - Flat	-DD	+LSD
Engineered Solutions	6%	Flat to +3%	+MSD	-LSD
Consolidated	(4)%	Flat to +2%	Flat	+LSD

- **Industrial**

Continued growth in tools but more difficult comparisons as the year progresses
- **Energy**
 - Maintenance
 - Upstream/cap ex

Difficult comps in first two quarters, modest growth in back half from low levels

Viking included all of Q1; Remainder assumes flattish market conditions
- **Engineered Solutions**
 - Europe/ROW Truck
 - Agriculture
 - Off-highway

China truck moderates to flat/down as the year progresses, Europe down LSD

Easier comps continue in Q1, moderate thereafter. New wins benefit later part of year.

Fiscal 2018 Guidance Summary

(US\$ in millions except EPS)

Full Year

2017

2018E

Sales	\$1,096	\$1,100 - 1,130
EBITDA	\$122	\$140 - 150
Diluted EPS	\$0.83	\$1.05 - 1.15

First Quarter

2017

2018E

Sales	\$266	\$260 - 270
EBITDA	\$31	\$25 - 30
Diluted EPS	\$0.20	\$0.14 - 0.19

2017 excludes restructuring, impairment and divestiture charges, director & officer transition charges and one time tax adjustment. 2018 guidance excludes restructuring charges and any future acquisitions, divestitures or stock repurchases not specially identified.

Assumptions - Full Year:

- Full year core sales flat to +2%
- Viking excluded after Q1, Mirage included Q 2-4
- Key FX rates – approximately \$1.15-1.20/1€ and \$1.30-1.35/1£.
- ~5-10% effective tax rate
- Shares outstanding ~60-61 million
- Free cash flow ~\$85-95 million

Assumptions – First Quarter:

- Core sales decline of flat to -2%
- Viking in results for entire Q1
- ~5-10% effective tax rate

Solid Growth Across Industrial and Engineered Solutions; Difficult Energy Market Environment Continues

Restructuring Summary

Overview	Cost	Annualized Savings	Comments
Energy Phase 1 (announced on Q3 2017 earnings call)	\$2 million	~\$3 million	Majority of charges in Q4 2017, some carry-over of charges into Q1 2018
Segment Consolidation and Realignment	\$6-7 million	\$2-3 million	Charges in first quarter 2018, 6-9 months of savings in guidance. \$3 million non-cash stock option vesting
Energy Phase 2	\$4-5 million	\$2-3 million	Primarily footprint/facility closures and consolidations in first half of fiscal 2018 with 6-9 months of savings in guidance.

Total Restructuring Program Includes Charges \$10-14 Million / Annualized Savings \$7-9 Million

2018 EPS Guidance Bridge

	<u>EPS</u>	<u>Description</u>
2017 Adjusted EPS	\$0.83	
FX	\$0.03 - \$0.04	Euro/Pound translation tailwind
Income tax rate/Shares	(\$0.02) - (\$0.06)	~5-10% effective tax rate
Restructuring benefits	\$0.06 - \$0.08	Year-over-year savings
Acquisitions/Divestitures (9 mths)	\$0.12 - \$0.14	Finalize Viking/Mirage end of Q1
Base businesses	<u>\$0.06 - \$0.08</u>	Core sales flat to +2%, higher incentive comp
2018 EPS Guidance	\$1.05 - \$1.15	

2017 excludes restructuring , impairment and divestiture charges, director & officer transition charges and one time tax adjustment. 2018 guidance excludes restructuring charges and any future acquisitions, divestitures or stock repurchases not specially identified.

Actuant Investor Day

Annual Actuant Investor Day Thursday October 5, 2017 - NYC

- 10:00am – 2:30pm at the NYC Hilton Midtown
- Working buffet lunch
- Broad Leadership Team all participating
- Simultaneous small group meeting format allowing in depth Q&A (Format does not allow for webcasting, we apologize for any inconvenience. Slide deck and video will be posted on actuant.com after the event.)



Q & A

Future Key Dates:

- Actuant Investor Day – NYC – October 5, 2017
- First Quarter Fiscal 2018 Earnings – December 20, 2017

Appendix

Reconciliation of Non-GAAP Measures

(US\$ in millions)

EBITDA

	Q4 2017	Q4 2016
Net Earnings	(\$99)	\$17
Net Financing Costs	\$8	\$8
Income Taxes	(\$10)	(\$7)
Depreciation & Amortization	\$11	\$11
Restructuring Charges	\$2	\$3
Impairment/Divestiture	\$117	\$5
Adjusted EBITDA	\$29	\$38

Free Cash Flow

	Q4 2017	Q4 2016
Cash From Operations	\$36	\$43
Capital Expenditures	(\$5)	(\$5)
Sale of PP&E	\$0	\$1
Other	\$1	\$1
Free Cash Flow	\$32	\$40

Free Cash Flow / Cash Flow Conversion

(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total EBITDA (1)	\$87	\$84	\$90	\$106	\$145	\$181	\$228	\$260	\$171	\$185	\$244	\$283	\$267	\$246	\$191	\$152	\$122
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)	(26)	(26)	(21)	(21)	(25)	(27)	(27)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)	(23)	(55)	(44)	(53)	(28)	(21)	(12)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)	(23)	(23)	(23)	(40)	(23)	(20)	(28)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14	(14)	17	26	32	(2)	28	13
Free Cash Flow	\$50	\$25	\$47	\$56	\$85	\$102	\$148	\$151	\$150	\$145	\$158	\$196	\$205	\$164	\$113	\$112	\$68
Net Earnings (1)	\$17	\$25	\$34	\$49	\$70	\$88	\$112	\$123	\$59	\$78	\$124	\$155	\$162	\$134	\$103	\$73	\$50
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%	127%	126%	127%	122%	110%	155%	137%

(1) Excluding special items - excludes restructuring and impairment charges, discontinued operations, divestiture gains/losses debt extinguishment charges and non-recurring income tax gains.