



Fiscal 2015 Fourth Quarter Earnings

September 30, 2015

 **Actuant**

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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. This includes statements pertaining to, among other things, the planned divestiture of the Electrical segment, the potential timing thereof, and the prospects and expected financial results of Actuant after the planned transaction. Those factors are contained in Actuant’s Securities and Exchange Commission filings.

All estimates of future performance are as of September 30, 2015.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental financial schedules at the end of this presentation, accompanying the Q4 Fiscal 2015 earnings press release, or refer to the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.

Financial Highlights



- Fourth quarter 7% core sales reduction in line with expectations across all segments
- Tight cost controls with second consecutive quarter of SA&E spending reduction percentage in excess of total sales decline



- Fourth quarter EPS of \$0.37 with lower tax rate (+\$0.07) not in previous outlook
- Strong free cash flow in the fourth quarter – now 15 consecutive years of annual free cash flow conversion of net earnings above 100%
- Taking actions to drive long-term value including simplification restructuring activities to achieve vision of 18% EBITDA margins and \$300 million in EBITDA by 2018



Fourth Quarter Operating Results

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

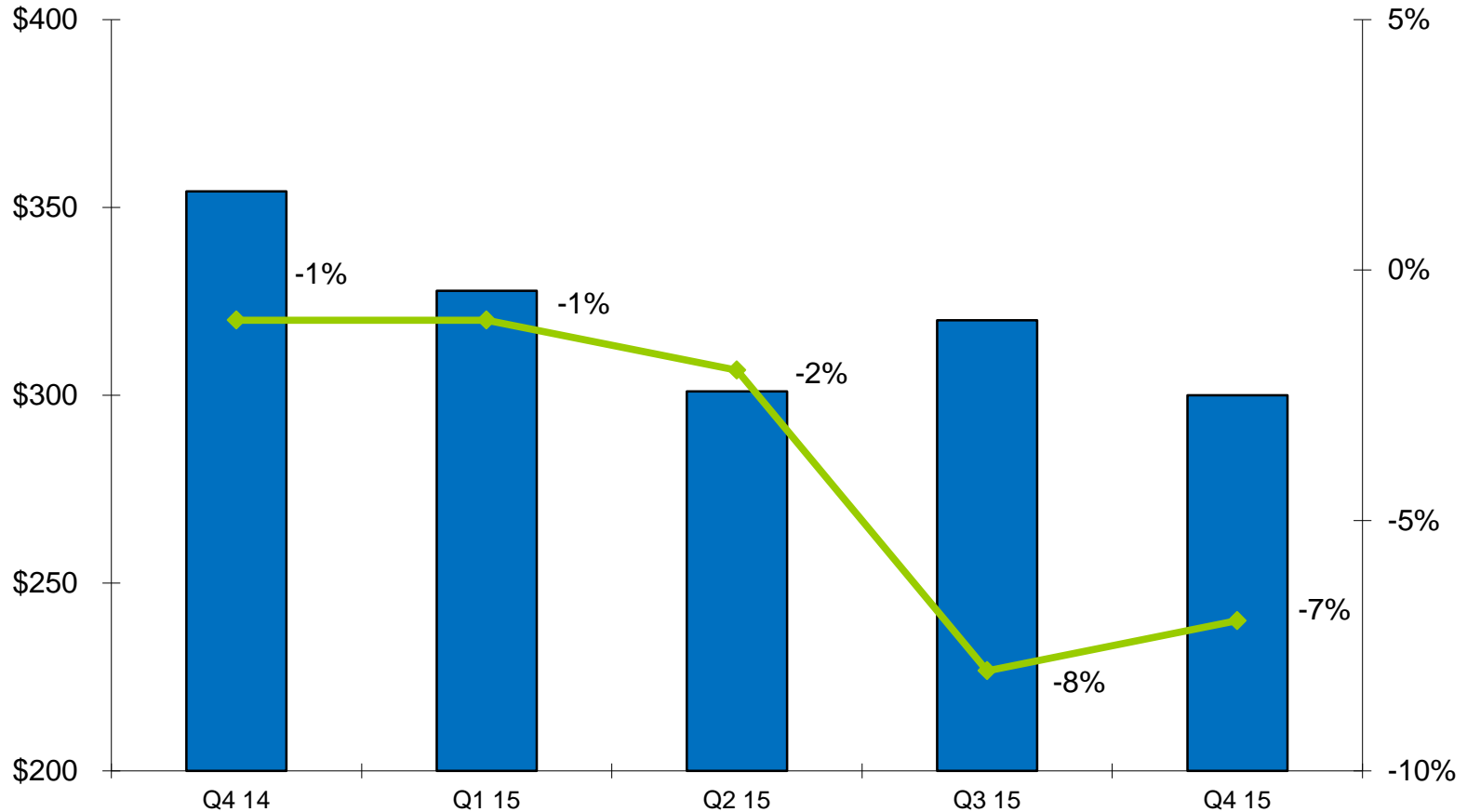
	F' 2014 ⁽¹⁾	F' 2015	Change
Sales	\$354	\$300	-15%
Gross Profit %	40.1%	35.5%	(460) bps
SA&E	\$87	\$72	-18%
	24.7%	23.9%	(80) bps
Operating Profit	\$48	\$29	-40%
	13.6%	9.6%	(400) bps
EBITDA	\$61	\$41	-32%
	17.2%	13.7%	(350) bps
EPS	\$0.47	\$0.37	-21%

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

Core Sales Trend

Sales (US\$ in millions)

Year-over-Year
Core Sales Rate of Change

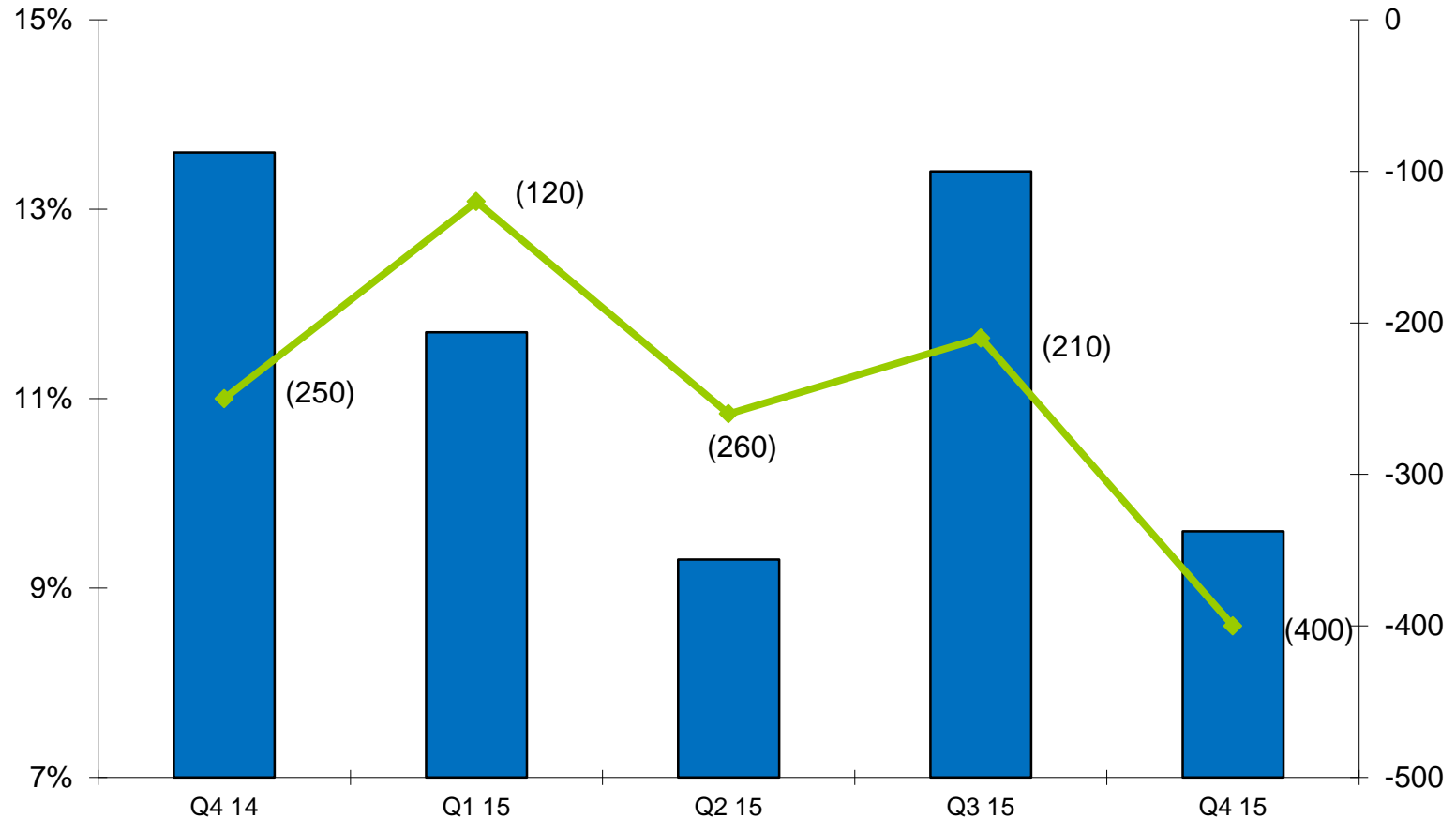


Core Sales Decline In Line with Expectations, Similar Rate as Third Quarter

Operating Profit Margin Trend (1)

Margin %

Year-Over-Year
Basis Point Change



SA&E Reductions Helped Mitigate Some of the Impact of Volume, Absorption, Restructuring Costs and FX Headwinds

(1) Continuing operations, Q2 2015 excludes \$84.4 million impairment charge and Q4 2014 excludes \$13.5 million RV divestiture gain

Industrial Segment

- Lower industrial tool (IT) sales due to oil & gas, mining and general industrial end market weakness
- Integrated Solutions (IS) down as large project activity wound down
- Precision Hayes core sales up mid-single digits
- Mix, absorption and unfavorable PPV currency a drag to segment margins

Financial Snapshot

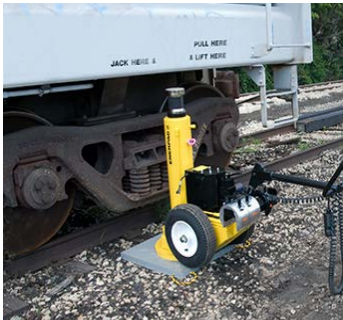
(US\$ in millions)

4th Quarter

	2015	2014	y-o-y change
Sales	\$100	\$112	-11%
Op Income	\$26.3	\$32.8	-20%
Op Margin	26.3%	29.3%	(300) bps



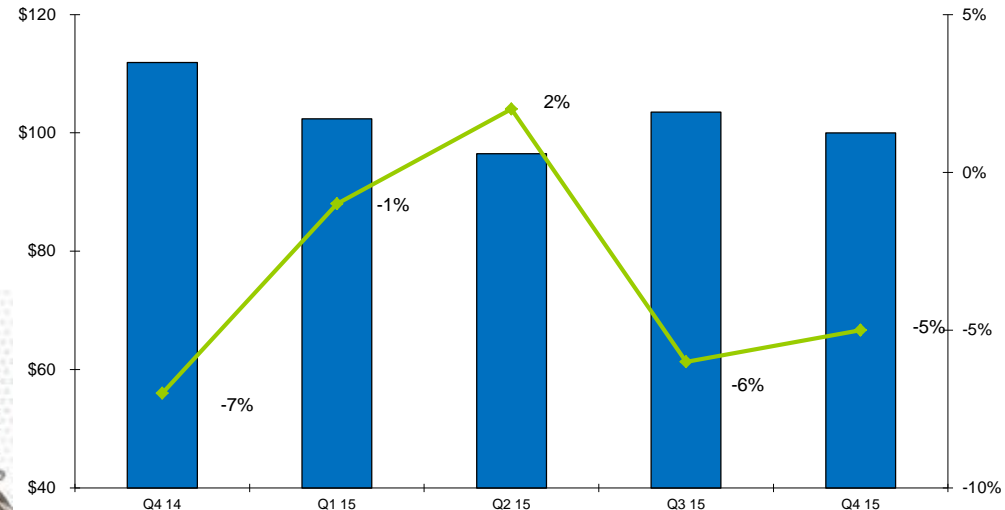
milwaukee
Cylinder



Sales

Sales Trend

Core Sales Change



Energy Segment

- 8% core decline improved sequentially from 12% decline in Q3
- Viking contract wind-downs result in double digit core decline as anticipated
- Cortland continues to be impacted by reduced oil & gas capex
- Hydratight grew modestly, sharply higher sequentially, as deferred maintenance work commences
- Margins down due to unfavorable mix, reduced volume and increased downsizing costs

Financial Snapshot

(US\$ in millions)

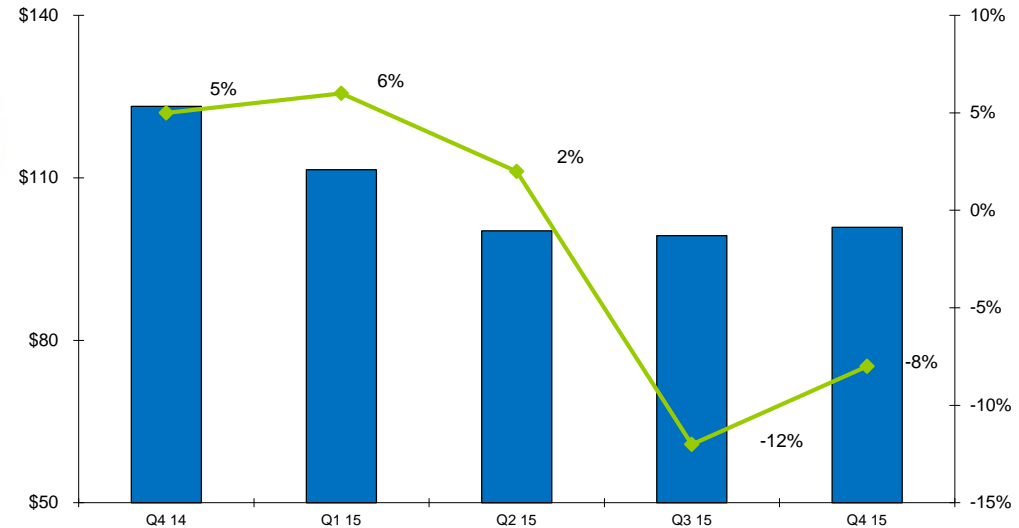
4th Quarter

	2015	2014	y-o-y change
Sales	\$101	\$123	-18%
Op Income	\$9.1	\$18.0	-50%
Op Margin	9.0%	14.7%	(570) bps

Sales

Sales Trend

Core Sales Change



Engineered Solutions Segment

- Higher global OEM truck sales
- Off-highway, mining, defense and convertible top sales remain weak
- Agriculture revenue declines accelerated as expected
- Margins down year-over-year on lower volumes and overhead absorption, restructuring costs, and unfavorable material cost variances (FX)

Financial Snapshot

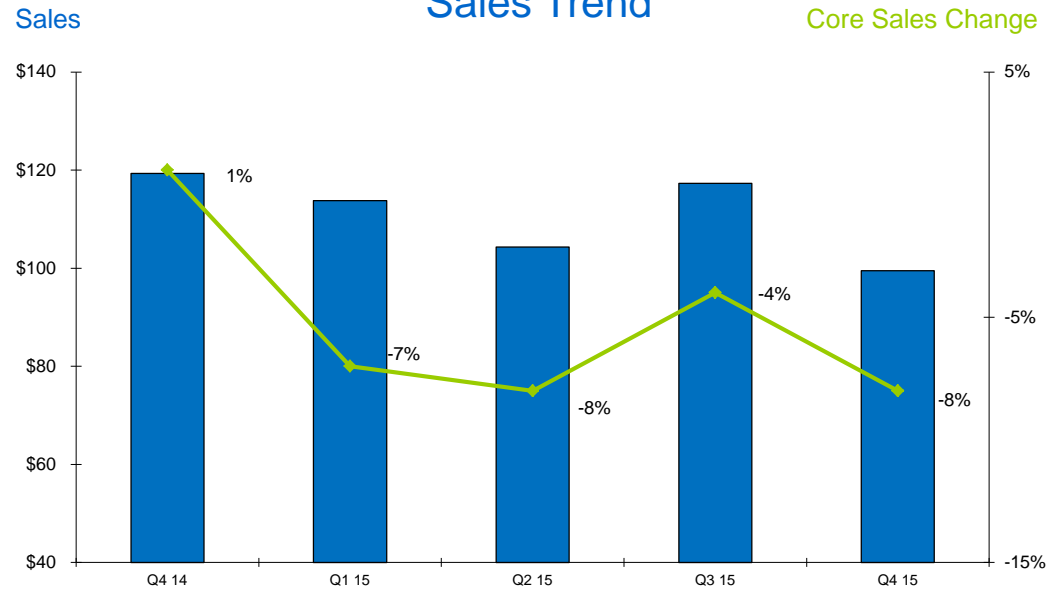
(US\$ in millions)

4th Quarter

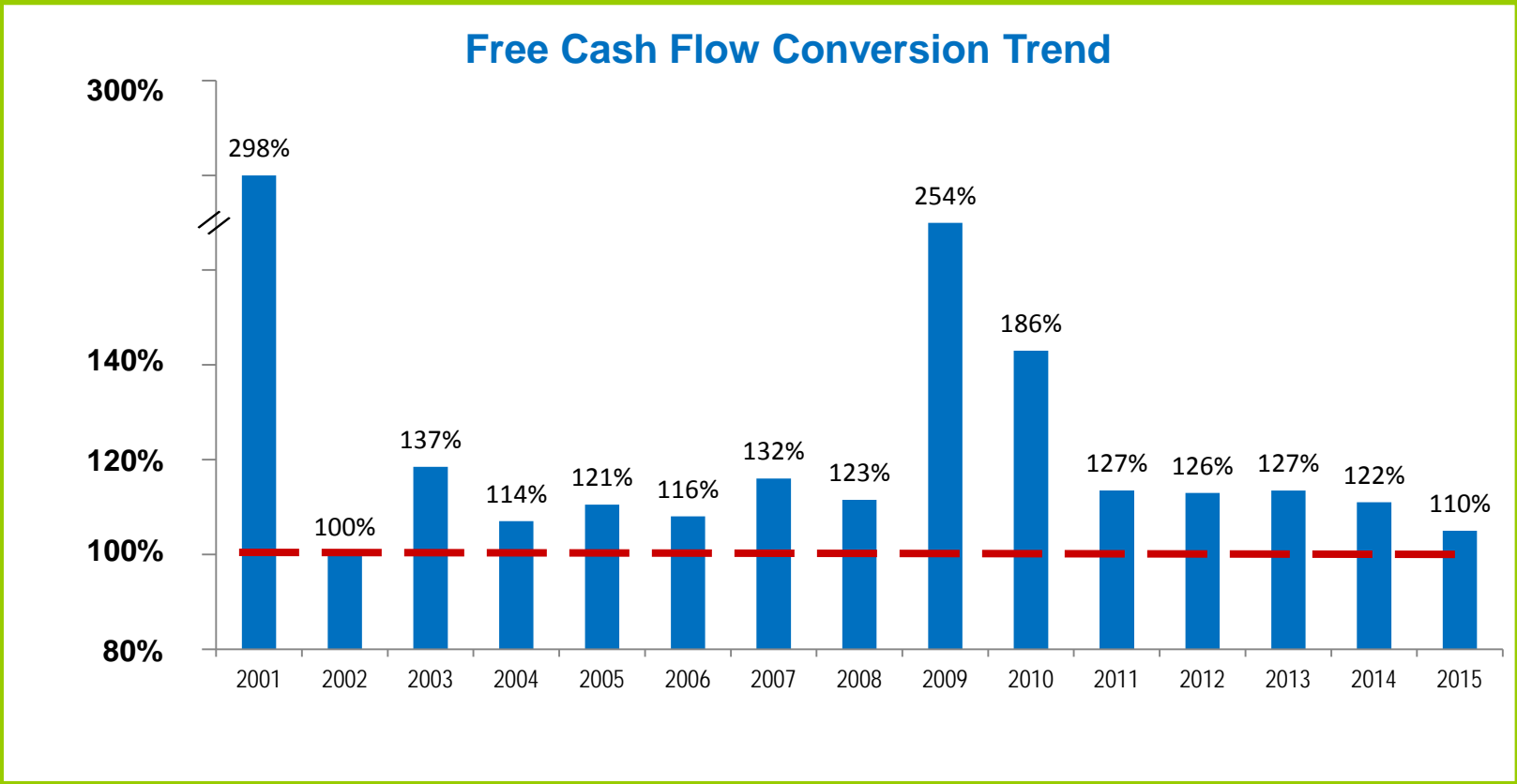
	2015	2014	y-o-y change
Sales	\$100	\$119	-17%
Op Income	\$3.2	\$5.6	-43%
Op Margin	3.2%	4.7%	(150) bps



Sales Trend



15th Consecutive Year of 100%+ Conversion



Stock Trading at Free Cash Flow Yield of ~10%!

Fiscal 2016 Core Sales Guidance

Core Growth	2015	2016(est)
Industrial	(3)%	(1)-(4)%
Energy	(3)%	(3)-(6)%
Engineered Solutions	(7)%	(1)-(3)%
Consolidated	(5)%	(1)-(4)%

- Difficult first half comparisons, notably in Energy with first half fiscal 2015 up 4% core sales
- Macro economic realities point to continuation of challenged end markets – bottoming, but no meaningful recovery
- Customer destocking continues
- Positive core growth expected in European truck, concrete tensioning

Core Sales Will Continue to be Weak in the First Half, Improving Sequentially in the Back Half

Fiscal 2016 Guidance Summary

(US\$ in millions except EPS)

	Full Year	
	2015	2016E
Sales	\$1,249	\$1,160 - 1,200
EBITDA ⁽¹⁾	\$191	\$165 - 180
Diluted EPS ⁽¹⁾	\$1.65	\$1.20 - 1.40

	First Quarter	
	2015	2016E
Sales	\$328	\$275 - 285
EBITDA	\$52	\$35 - 39
Diluted EPS	\$0.38	\$0.20 - 0.25

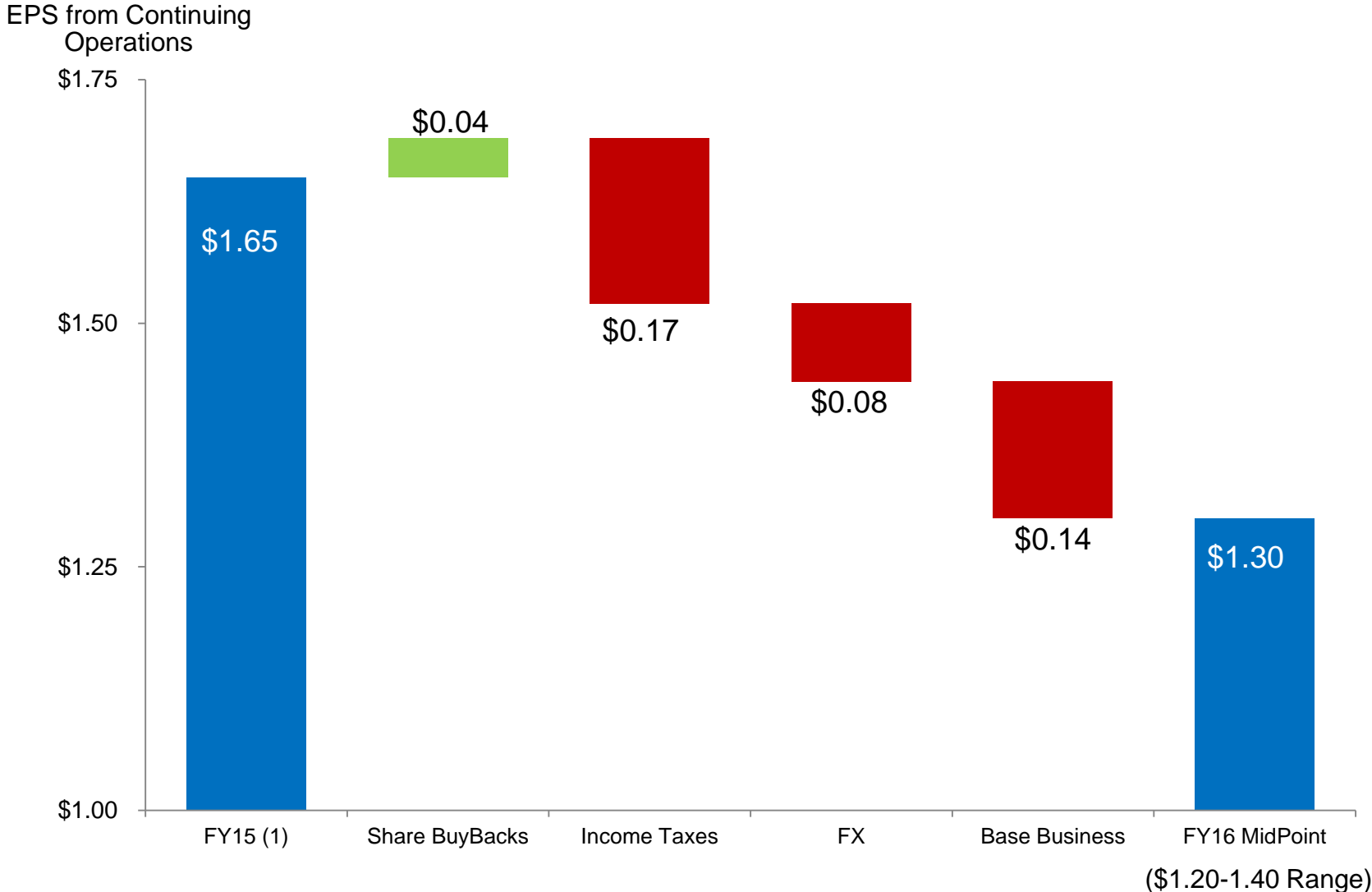
Assumptions:

- Full year core sales decline of 1-4%
- Key FX rates – approximately \$1.1/1€ and \$1.55/1£. \$40 million year-over-year revenue headwind
- ~17-19% effective tax rate
- Shares outstanding ~60 million
- Free cash flow ~\$110-120 million
- Restructuring costs, as well as any potential future acquisitions or share buy backs excluded

(1) Fiscal 2015 excludes \$84.4 million impairment charge in Q2.

Difficult First Half Comparisons

2016 EPS Guidance Walk



(1) Fiscal 2015 excludes \$84.4 million impairment charge in Q2.

Disciplined Capital Allocation

- Tuck-in Acquisitions
 - Tight strategic fits – making existing businesses stronger
 - Focus on niches within Industrial, Hydratight and agriculture
 - Service / MRO / Aftermarket focus
- Share Repurchases
 - Opportunistic
 - Evaluated in light of M&A funnel and leverage
- Dividend – no change

Positioning Actuant for Long-Term Value Creation

Simplification Restructuring Initiative

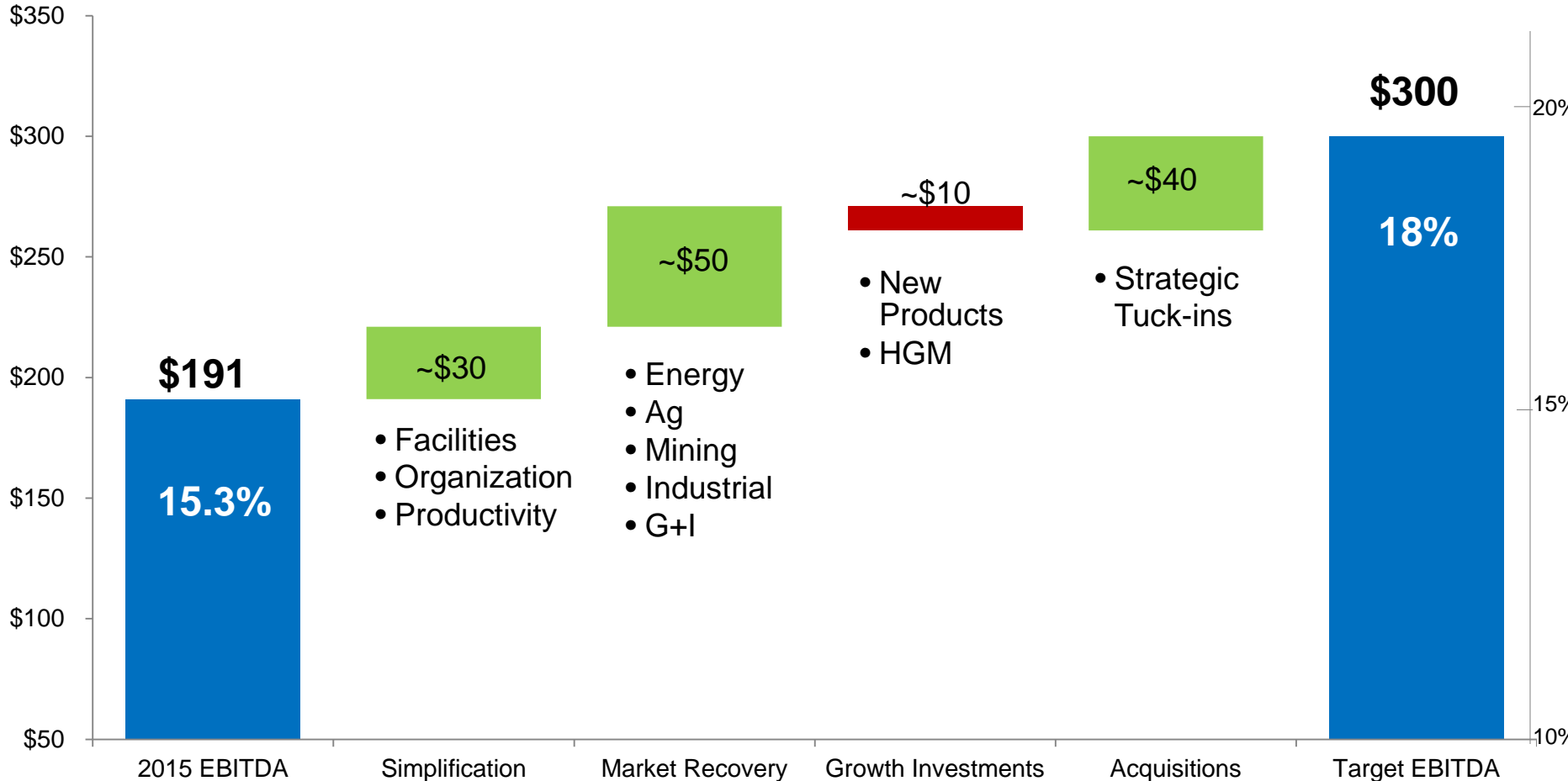
- Major categories
 - Organization simplification
 - Facility consolidations & leases
- Majority of restructuring charges will be incurred in fiscal 2016, with some first half fiscal 2017 carryover
- Savings payback of approximately two years

Approximately \$25 Million in Restructuring Costs, Positioning Actuant for Higher Incremental Margins in End Market Recovery

Actuant 2018 Vision: \$300 Million EBITDA

EBITDA in millions

EBITDA %



Multi-Pronged Approach to Generate Shareholder Value

Q & A

Future Key Dates:

- Investor Day October 6th and 7th
- First Quarter Fiscal 2016 Earnings – December 17, 2015

Appendix

Fourth Quarter Cash Flow / Net Debt

(US\$ in millions)

Free Cash Flow

EBITDA	\$41
Capital Expenditures	(5)
Cash Interest	(11)
Cash Taxes	21
Working Capital/Other	<u>37</u>
Free Cash Flow	<u><u>\$83</u></u>

Net Debt Reconciliation

Net Debt - May 31, 2015	\$492
Share repurchases	7
FX/Other	3
Free Cash Flow	<u>(83)</u>
Net Debt - May 31, 2015	<u><u>\$419</u></u>
Net Debt/EBITDA	2.2

Significant Working Capital Reduction in Fourth Quarter Benefitted Free Cash Flow

Reconciliation of Non-GAAP Measures

(US\$ in millions)

EBITDA

Free Cash Flow

	Q4 2015	Q4 2014		Q4 2015	Q4 2014
Net Earnings	\$22	\$36	Cash From Operations	\$88	\$52
Net Financing Costs	\$7	\$6	Capital Expenditures	(\$5)	(\$8)
Income Tax Expense	(\$1)	\$19	Sale of PP&E	\$0	\$0
Depreciation & Amortization	\$13	\$14	Option Exercise Cash	\$0	\$2
Gain on RV Sale		(\$14)	Divested Business Items	\$0	\$17
EBITDA from Continuing Operations	<u>\$41</u>	<u>\$61</u>	Other	\$0	\$8
			Free Cash Flow	<u>\$83</u>	<u>\$71</u>

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.