Sun Hydraulics' Acquisition of Faster Group

February 20, 2018

Defined Vision / Designed Transformation

BEYOND HYDRAULICS

Safe Harbor Statement

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 Sun Hydraulics Corporation ("Sun" or the "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 prepared 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.

A Global Leader in Quick-Release Couplers (QRC) for Hydraulic Applications

Faster easier to connect. SUN

Key Facts

- Founded in 1951 outside of Milan, Italy, with over 65 years of experience
- $130MM revenue [1][2]
  (2014 – 2018E CAGR of ~10%)
- 27.5% EBITDA margin [1][2]
- Leader in the global QRC market, serving high growth end markets
- Holds 80+ registered patents; continues to add new patents annually via strong R&D focus
- 70% first-fit / 30% aftermarket
- 5 facilities across the world
- 475+ employees

Broad Product Portfolio

48%
Couplings

22%
MultiFaster

23%
Casting Solutions

7%
Accessories & Ancillary

Complementary Market Mix

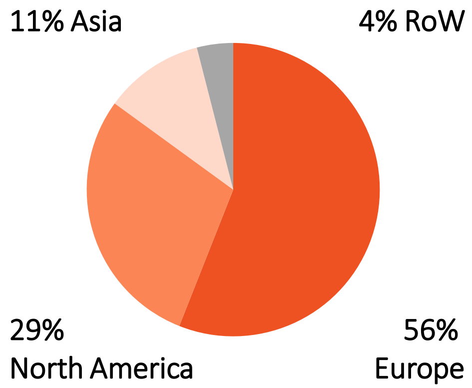
End Markets

65%
Agriculture

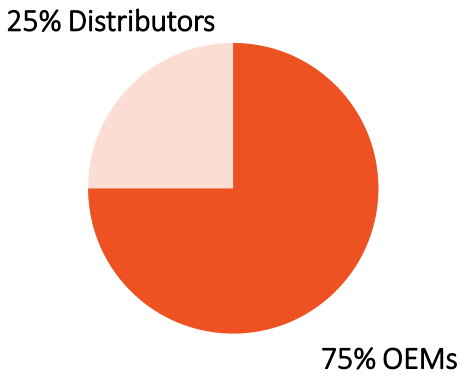
24%
Construction

11%
Industrial

Geography



Channel



Note: (1) FY2017 Faster financials (2) Faster financials converted at an exchange rate of $1.235/ €1.000

Strategic Rationale

Meets Long-Term Strategic Vision	■ Advances global technology leadership ■ Contributes toward revenue goal of $1 billion by 2025 ■ Enhances superior profitability and cash flows
Diversifies Sun	■ Strengthens end market positions in global agriculture, construction equipment and industrial markets ■ Broadens product offering and geographic footprint ■ Adds manufacturing footprint in Europe
Strengthens Technology Leadership	■ Holds 80+ registered patents; continues to add new patents annually via strong R&D focus ■ Innovative culture drives new product development ■ Strong commercial and technical relationships with global OEMs

Attractive Value for Sun Hydraulics Shareholders

Sun + Faster

Strategic Benefits	▪ Strategic addition to Sun's hydraulics and electronics business
	▪ Portfolio broadens technology and product offering
	▪ Expands Sun's global footprint; in the region, for the region
	▪ Deepens customer relationships
	▪ Adds talent with innovative engineering and R&D expertise
Financial Benefits	▪ Accelerates Sun's growth profile
	▪ Immediately EPS and EBITDA margin accretive
	▪ Significant synergy opportunities
	▪ Adds scale and diversification
	▪ Optimal capital allocation / prudent capital structure

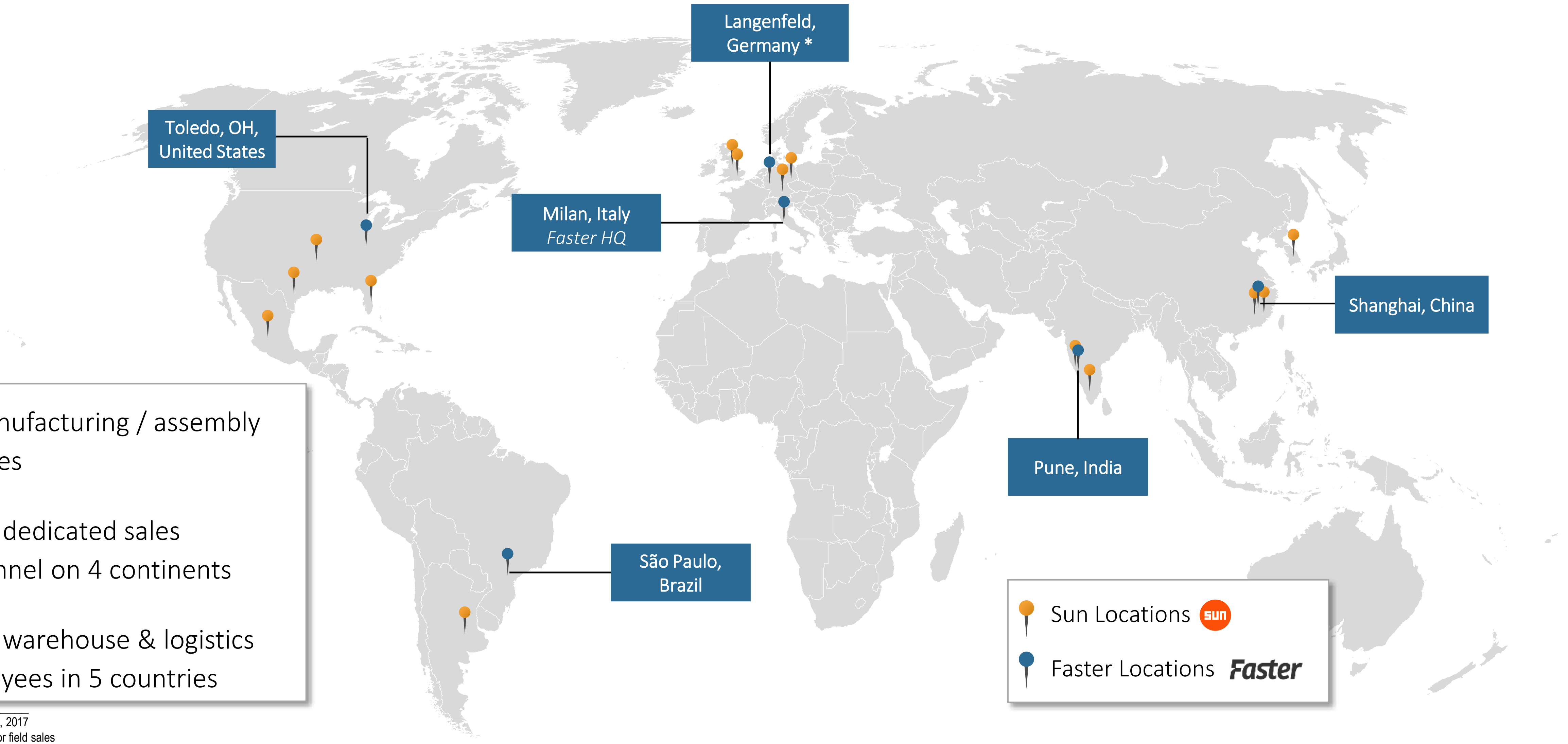
Creating a Larger and More Diversified Industrial Technology Platform

Pro Forma Combination Overview

	Sun[1]	+ Faster[2][3]	= Sun + Faster
Revenue ($MM)	~$342MM	~$130MM	~$472MM
EBITDA Margin	~25.5%	~27% – 28%	~26.2%
Enhanced Product Offering	Hydraulics 67%; Electronics 33%	Hydraulics 100%	Hydraulics 75%; Electronics 25%
Broader Geographic Reach	Americas 58%; APAC 20%; EMEA 22%	Americas 30%; APAC 13%; EMEA 57%	Americas 52%; APAC 19%; EMEA 29%
Greater Access to OEMs	Distributors 56%; OEMs 44%	Distributors 25%; OEMs 75%	Distributors 48%; OEMs 52%

Note: (1) SNHY values based upon SNHY preliminary 2017E financials released on January 29, 2018 (2) FY2017 Faster Financials (3) Faster financials converted at an exchange rate of $1.235/ €1.000

Enhanced Footprint to Serve Global Markets



- 3 manufacturing / assembly facilities
- 50+ dedicated sales personnel on 4 continents
- 70+ warehouse & logistics employees in 5 countries

Note: As of December 31, 2017
* Denotes home offices for field sales

Achievable Synergies

Revenue Synergies	■ Sell SNHY products to existing Faster OEM customers ■ Sell Faster products through SNHY's global channel partners ■ Accelerate expansion into growing international markets ■ Enhance hydraulics and electronics solution capabilities
Cost Synergies	■ Improve access to Italian and EMEA suppliers ■ Implement manufacturing best practices ■ Expand automation within Faster's operations ■ Enhance access and utilization of Faster's facilities
Projected Synergies	■ Anticipate ~$7.5 million of annual synergies by 2022 ■ Conservatively planning for synergies to begin in 2019

Transaction Summary

Transaction Description	▪ Acquisition of 100% of Faster Group ▪ Leading global manufacturer of quick-release hydraulic coupling (QRC) solutions, with technologies serving high growth markets and applications ▪ Creates a larger and more diversified industrial technology platform

Consideration	▪ Enterprise value of €430 million (~$531 million)
	  ▪ ~12.7x EV / EBITDA 2018E
	  ▪ ~10.8x EV / EBITDA 2018E (with full synergy potential)
	▪ Funded with $161 million cash and $370 million of debt

Financial Impact	▪ Immediately accretive to GAAP EPS and EBITDA margin ▪ Significant synergy opportunity (~$7.5 million in annual synergies by 2022) ▪ Sun Hydraulics maintains a strong balance sheet with net debt / LTM EBITDA of 2.8x [1]
Closing	▪ Expected closing Q2 2018, subject to customary closing conditions

Note: (1) PF LTM Adjusted EBITDA based upon midpoint of SNHY preliminary 2017E financials released on January 29, 2018 and 2017 Faster financials

Transaction Details & Balance Sheet Priorities

Financial Impact

- Accretive to EPS and EBITDA margin in 2018 and beyond
  - 2018 PF Adj. EPS accretion of $0.35 - $0.45 per share excluding estimated purchase accounting and transaction expenses
  - 2018 PF GAAP EPS accretion of $0.15 - $0.25 per share including estimated purchase accounting and transaction expenses
  - Immediate EBITDA margin expansion of ~70 bps

Balance Sheet

- Total cash funding requirement of ~$531MM
  - $161 MM from Cash
  - $370 MM from existing Revolving Credit Facility, including exercise of $100 million accordion
- Maintain prudent balance sheet with pro forma net debt to LTM EBITDA of 2.8x
- Debt reduction a near-term priority
- Maintain dividend policy

Note: Faster financials converted at an exchange rate of $1.235/ €1.000. EPS shown pro forma for full year Faster results

Smart Solutions

For demanding Applications