



ENERPAC

TOOL GROUP

Q4 FY2023 Earnings

October 17, 2023

Forward-Looking Statements and Non-GAAP Measures

Statements made in this presentation that are not historical are forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. The terms “outlook,” “guidance,” “may,” “should,” “could,” “anticipate,” “believe,” “estimate,” “expect,” “objective,” “plan,” “project” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to inherent risks and uncertainties that may cause actual results or events to differ materially from those contemplated by such forward-looking statements. Risks and uncertainties, that may cause actual results or events to differ materially from those contemplated by such forward-looking statements include, without limitation, general economic uncertainty, market conditions in the industrial, oil & gas, energy, power generation, infrastructure, commercial construction, truck and automotive industries, the impact of geopolitical activity, including the invasion of Ukraine by Russia and international sanctions imposed in response thereto, the ability of the Company to achieve its plans or objectives related to its growth strategy, market acceptance of existing and new products, market acceptance of price increases, successful integration of acquisitions, the impact of dispositions and restructurings, the ability of the Company to continue to achieve its plans or objectives related to the ASCEND program, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material, labor, or overhead cost increases, tax law changes, foreign currency risk, interest rate risk, commodity risk, tariffs, litigation matters, and impairment of goodwill or other intangible assets. See the Company’s Form 10-K for the fiscal year ended August 31, 2022, its most recent Form 10-Q and its other filings with the Securities and Exchange Commission for further information regarding risk factors. Enerpac Tool Group disclaims any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or any other reason.

All estimates of future performance are as of October 16, 2023.

This presentation also contains financial measures that are not measures presented in conformity with GAAP. These non-GAAP measures include EBITDA from continuing operations, adjusted EBITDA from continuing operations, adjusted earnings from continuing operations, adjusted diluted earnings per share from continuing operations, adjusted operating profit from continuing operations, segment adjusted operating profit and adjusted EBITDA, free cash flow and net debt. The supplemental financial schedules appended at the end of this presentation include reconciliations of these non-GAAP measures to the most comparable GAAP measure. Enerpac Tool Group acknowledges that there are many items that impact a company’s reported results and the adjustments reflected in these non-GAAP measures are not intended to present all items that may have impacted these results. In addition, these non-GAAP measures are not necessarily comparable to similarly titled measures used by other companies.

Exceeded Core Growth & EBITDA Guidance*

(\$ in millions)

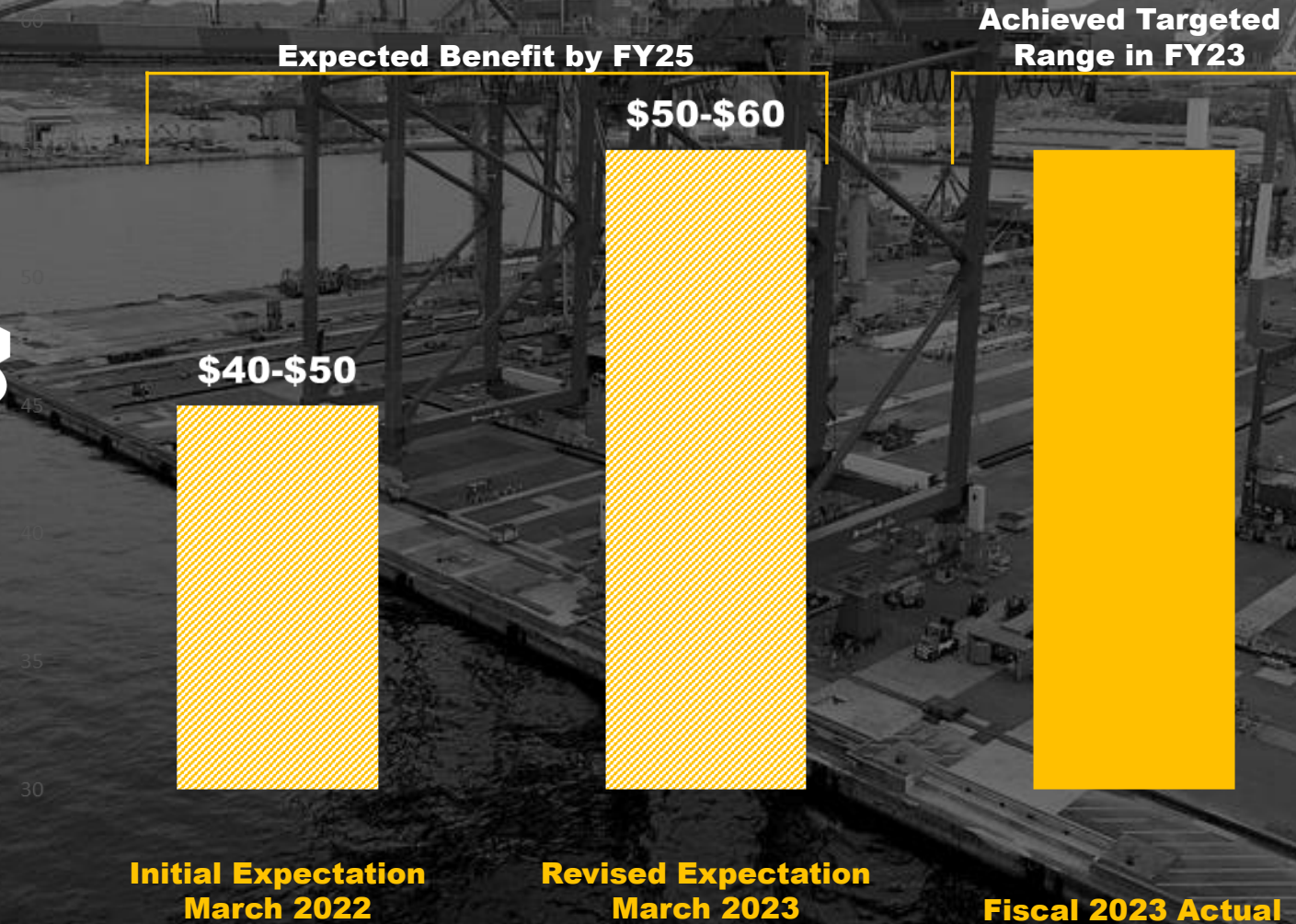
	Fiscal 2022 Actual Results	Initial Guide Sept 2022	Fiscal 2023 Actual Results	YoY Change
Net Sales	\$571	\$565 - \$585	\$598	5%
Core Growth	11%	3 - 6%	+200 bps vs high end	8%
Adjusted EBITDA	\$83	\$113 - \$123	\$136	65%
Free Cash Flow	\$44	\$50 - \$65	\$70	57%

*Adjusted EBITDA excludes restructuring and other charges identified in the accompanying reconciliations to GAAP measures. The Enerpac Tool Group fiscal 2023 Q4 earnings release and full GAAP to non-GAAP reconciliation is available online at <https://ir.enerpactoolgroup.com/>. Core growth represents organic revenue growth excluding the impact of foreign exchange rates, acquisitions, and dispositions.

Captured ASCEND EBITDA Benefit Ahead of Plan*

(\$ in millions)









ASCEND





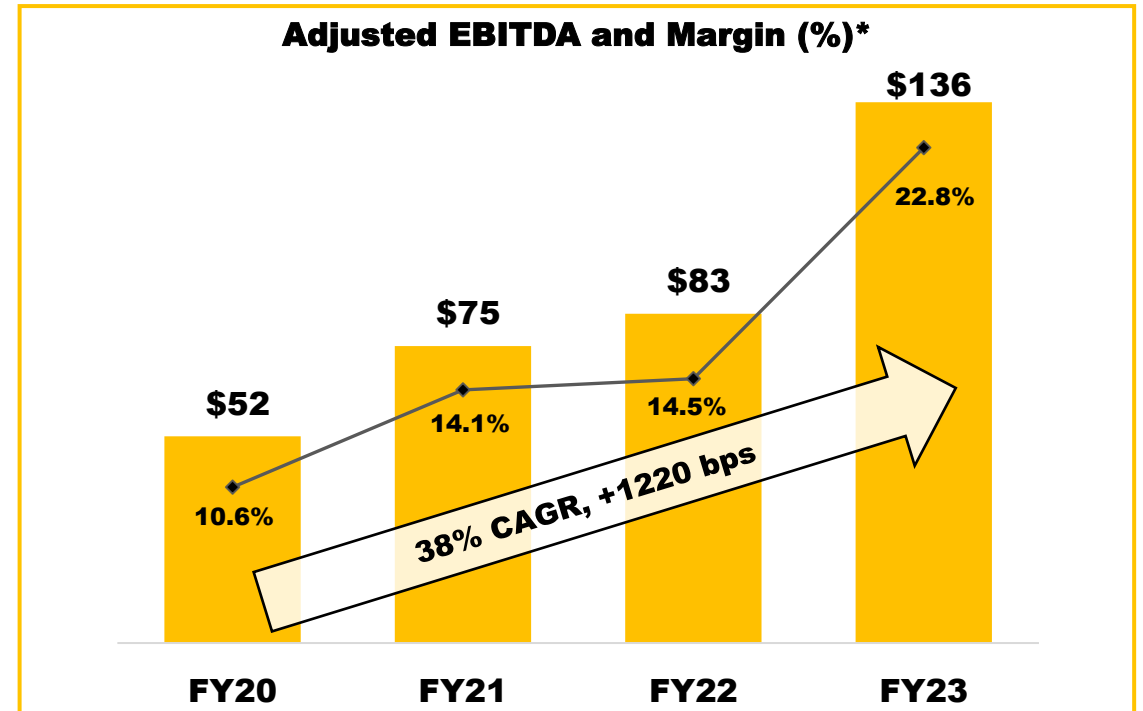
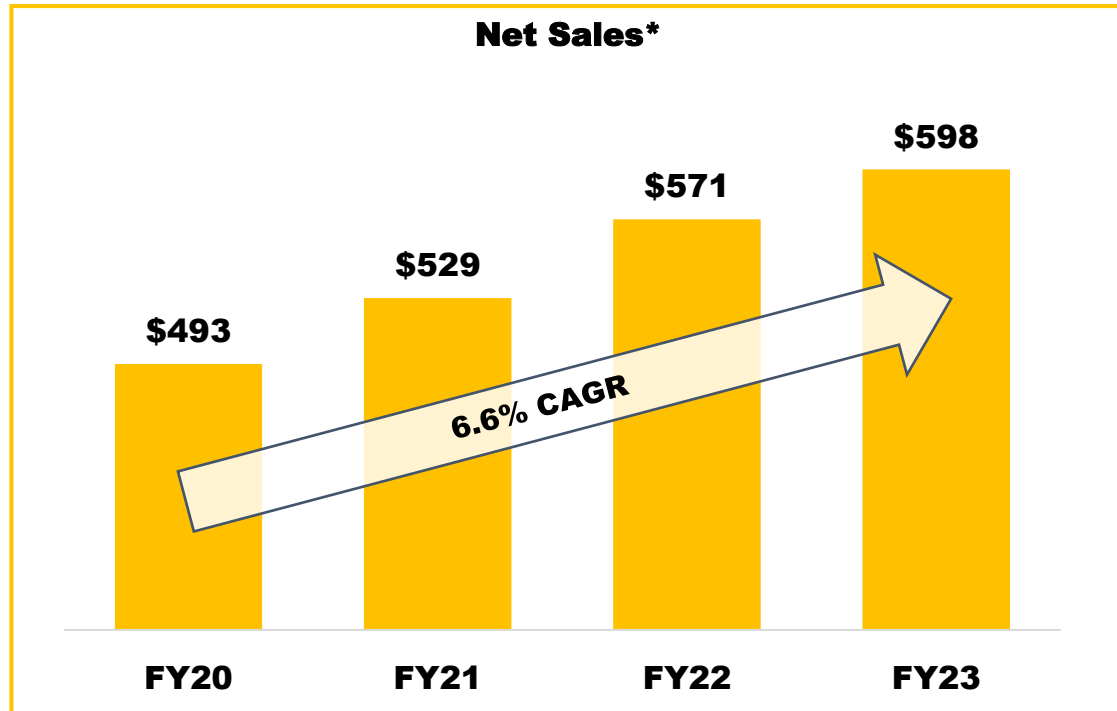
Financial Review

IT&S Core Growth by Region*

Region	4Q 2023	Fiscal 2023
ESSAI	 +Mid Teens%	 +Low Teens%
Asia Pacific	 +High Teens%	 +LDD%
Americas	 +HSD%	 +LDD%
MENAC	 -High Teens%	 -Mid Teens%

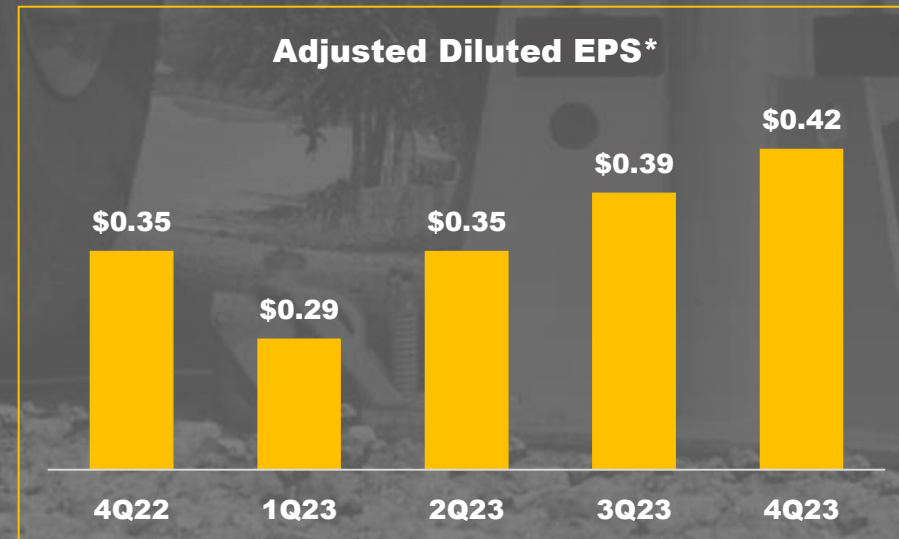
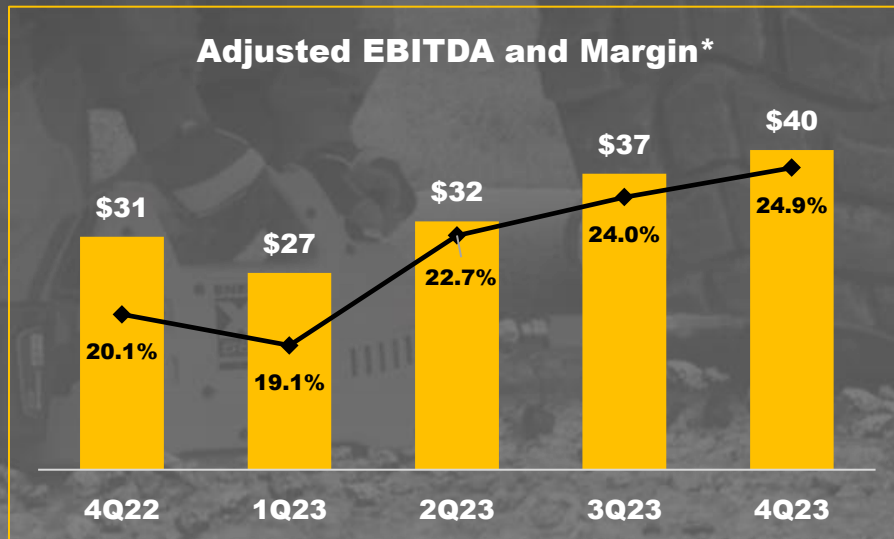
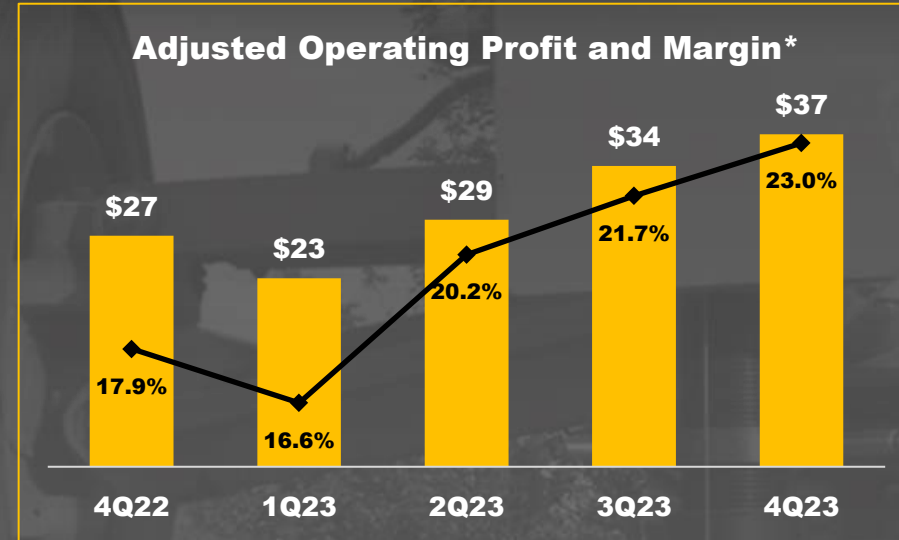
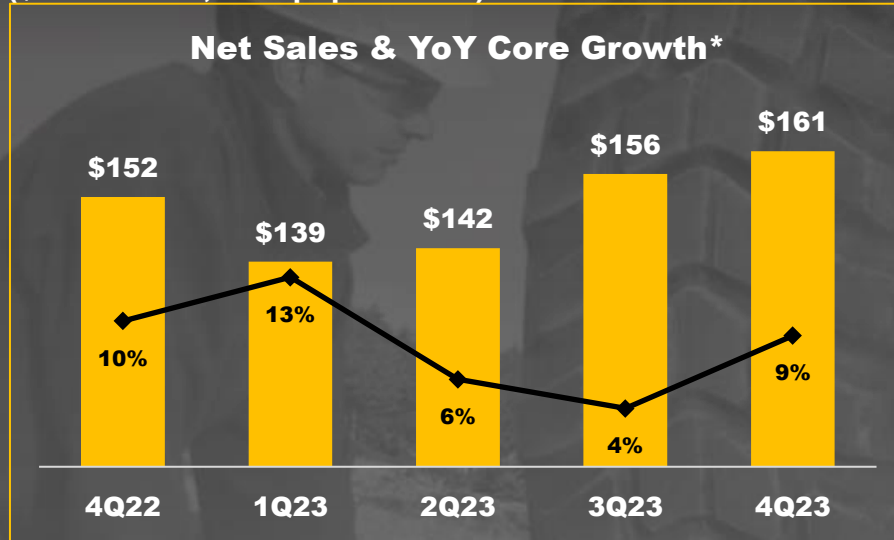
Consistent Growth & Margin Expansion

(\$ in millions)



Quarterly Results Show Continued Progress

(\$ in millions, except per share)



*Adjusted Operating Profit, EBITDA and Diluted EPS exclude restructuring and other charges identified in the accompanying reconciliations to GAAP measures. The Enerpac Tool Group fiscal 2023 Q4 earnings release and full GAAP to non-GAAP reconciliation is available online at <https://ir.enerpactoolgroup.com/>. Core growth represents organic revenue growth excluding the impact of foreign exchange rates, acquisitions, and dispositions.

FY24 Guidance

Key Assumptions:

- Targeting to outperform industry and gain market share
- No broad-based global recession
- Any M&A would be incremental to guidance

Depreciation & Amortization	~\$13-\$15M
Interest Expense	~\$14-\$16M
Adjusted Tax Rate	~20-25%
Cash Taxes	~\$22-\$24M
Capex	~\$12-\$17M
ASCEND Costs	~\$10-\$15M*
Key FX Rates	\$1.10/1€, \$1.25/1£



NET SALES

\$590 - \$605M

CORE GROWTH OF ~2-4%



ADJ. EBITDA

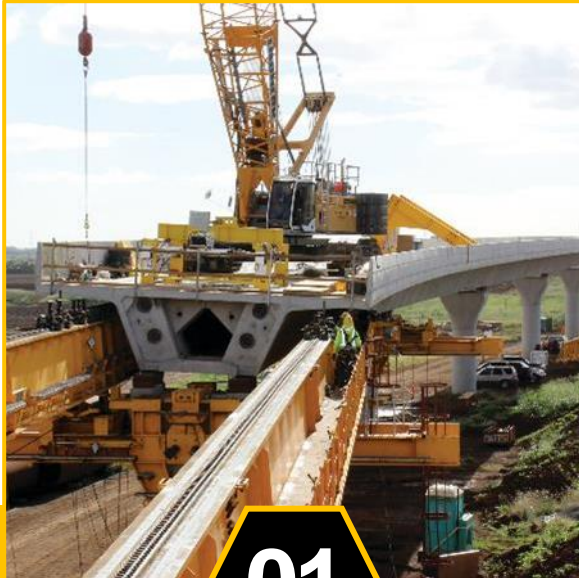
\$142 - \$152M



FREE CASH FLOW

\$60 - \$70M

Ambitious Growth Strategy Centered Around Four Key Pillars



01

EXPANSION
in Targeted
Vertical Markets



02

Digital
TRANSFORMATION



03

Customer Driven
INNOVATION



04

EXPANSION
in Asia Pacific

6-7% Organic Revenue CAGR Targeted Through FY26

Disciplined M&A Program



Continuing **Pure Play Strategy**, but Looking Beyond Just Tools and Services to **Solve Customer Needs** in Targeted Vertical Markets



Healthy Pipeline with Focus on Our 4 Key Verticals



M&A Activity Focused on **Expanding Solutions Offerings** by Addressing Gaps in:
Product Offerings | Market/Vertical/Geographies | Technology



Disciplined Approach Means any Targets Must Meet Strict **Financial** and **Operational Criteria**

ASCEND Year in Review



ACCELERATE ORGANIC GROWTH

GO-TO-MARKET
STRATEGIES



8% Core Sales Growth*



IMPROVE OPERATIONAL EXCELLENCE

AND PRODUCTION
EFFICIENCY



**49.3% Gross Margin
+280 bps**



DRIVE GREATER EFFICIENCY & PRODUCTIVITY

IN SG&A



**Adjusted SG&A*
Improvement of 550 bps**



Appendix

Reconciliation of Non-GAAP Measures

(US\$ in millions)

Adjusted EBITDA and Margin

	FY2023	FY2022	FY2021	FY2020
Net earnings from continuing operations	\$54	\$20	\$40	\$6
Financing costs	12	4	5	19
Income taxes	15	4	4	2
Depreciation & amortization	16	20	22	21
Impairment & divestiture charges (benefit)	(6)	2	6	(3)
Restructuring charges	8	8	2	8
Gain on sale of facility, net of transaction charges	-	(1)	(5)	-
Leadership transition charges (benefit)	1	8	1	-
Business review charges	-	3	-	-
M&A charges	1	-	-	-
ASCEND transformation program charges	35	14	-	-
Purchase accounting inventory step-up charge	-	-	-	0
Pension curtailment	-	-	-	(1)
Adjusted EBITDA	\$136	\$83	\$75	\$52
Net sales	\$598	\$571	\$529	\$493
Adjusted EBITDA margins	22.8%	14.5%	14.1%	10.6%

Adjusted SG&A

	FY	FY
Selling, general and administrative expenses	212	225
Restructuring charges	(7)	(8)
Gain on sale of facility, net of transaction charges	-	1
Leadership transition charges (benefit)	(1)	(8)
Business review charges	-	(3)
M&A charges	(1)	-
ASCEND transformation program charges	(34)	(14)
Adjusted SG&A	\$169	\$193
Net Sales	\$598	\$571
Adj. SG&A as a percent of net sales	28.2%	33.7%

Reconciliation of Non-GAAP Measures

Quarterly Consolidated Core Sales Growth

	Q4 2023	Q4 2022	% Change
Net sales	\$161	\$152	6%
Fx impact	-	1	
Divestiture	(0)	(6)	
Core Sales	\$160	\$148	9%

	Q1 2023	Q1 2022	% Change
Net sales	\$139	\$131	6%
Fx impact	-	(7)	
Divestiture	-	-	
Core Sales	\$139	\$124	13%

	Q3 2023	Q3 2022	% Change
Net sales	\$156	\$152	3%
Fx impact	-	(2)	
Core Sales	\$156	\$150	4%

	Q4 2022	Q4 2021	% Change
Net sales	\$152	\$145	4%
Fx impact	-	(7)	
Core Sales	\$152	\$138	10%

	Q2 2023	Q2 2022	% Change
Net sales	\$142	\$137	4%
Fx impact	-	(3)	
Core Sales	\$142	\$133	6%

Annual Consolidated Core Sales Growth

	FY2023	FY2022	% Change
Net sales	\$598	\$571	5%
Fx impact	-	(11)	
Divestiture	-	(6)	
Core Sales	\$598	\$555	8%

Annual Consolidated Core Sales Growth

	FY2022	FY2021	% Change
Net sales	\$571	\$529	8%
Fx impact	-	(15)	
Core Sales	\$571	\$514	11%

Free Cash Flow

	FY2023	FY2022
Cash from operations	78	52
Capital expenditures	(9)	(8)
Proceeds from sale of PP&E	1	1
Other	1	-
	70	44

Reconciliation of Non-GAAP Measures

Fiscal 2024 Guidance

	Fiscal 2024	
	Low	High
Reconciliation of Continued Operations GAAP Operating Profit		
To Adjusted EBITDA		
GAAP Operating profit	\$ 113	\$ 130
ASCEND transformation program charges	10	7
Restructuring charges	5	3
Adjusted operating profit	\$ 128	\$ 140
Other expense, net	(1)	(1)
Depreciation & amortization	15	13
Adjusted EBITDA	\$ 142	\$ 152
Reconciliation of GAAP Cash Flow From Operations to Free Cash Flow (5)		
Cash provided by operating activities	\$ 72	\$ 87
Capital expenditures	(12)	(17)
Other	-	-
Free Cash Flow Guidance	\$ 60	\$ 70

Reconciliation of Non-GAAP Measures

(In thousands)

	Fiscal 2022					Fiscal 2023				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Sales										
Industrial Tools & Services Segment	\$ 121,313	\$ 125,940	\$ 140,395	\$ 139,694	\$ 527,342	\$ 127,297	\$ 130,904	\$ 144,126	\$ 152,851	\$ 555,178
Other	9,590	10,659	11,499	12,133	43,881	12,085	11,056	12,127	7,758	43,026
Total	<u>\$ 130,903</u>	<u>\$ 136,599</u>	<u>\$ 151,894</u>	<u>\$ 151,827</u>	<u>\$ 571,223</u>	<u>\$ 139,382</u>	<u>\$ 141,960</u>	<u>\$ 156,253</u>	<u>\$ 160,609</u>	<u>\$ 598,204</u>
Adjusted Operating Profit from Continuing Operations										
Operating profit	\$ 6,407	\$ 4,484	\$ 6,643	\$ 13,126	\$ 30,660	\$ 12,309	\$ 13,972	\$ 25,439	\$ 32,202	\$ 83,922
Impairment & divestiture charges (benefit)	-	1,116	-	1,297	2,413	-	-	-	(6,155)	(6,155)
Restructuring charges (1)	2,737	1,832	517	3,049	8,135	982	2,987	2,252	1,461	7,681
Gain on sale of facility, net of transaction charges	-	-	(585)	-	(585)	-	-	-	-	-
Leadership transition charges (benefit) (2)	3,759	1,747	2,800	(37)	8,269	400	202	90	90	783
Business review charges	-	2,500	502	-	3,002	-	-	-	-	-
M&A charges	-	-	-	-	-	-	196	166	653	1,015
ASCEND transformation program charges	-	-	3,856	9,760	13,616	9,419	11,372	5,947	8,681	35,419
Adjusted operating profit	<u>\$ 12,903</u>	<u>\$ 11,679</u>	<u>\$ 13,733</u>	<u>\$ 27,195</u>	<u>\$ 65,510</u>	<u>\$ 23,110</u>	<u>\$ 28,729</u>	<u>\$ 33,894</u>	<u>\$ 36,932</u>	<u>\$ 122,665</u>
Adjusted Operating Profit %	9.9%	8.5%	9.0%	17.9%	11.5%	16.6%	20.2%	21.7%	23.0%	20.5%
EBITDA from Continuing Operations (3)										
Earnings from continuing operations	\$ 3,185	\$ 2,121	\$ 4,061	\$ 10,224	\$ 19,591	\$ 6,409	\$ 7,158	\$ 16,976	\$ 23,105	\$ 53,649
Financing costs, net	961	755	951	1,719	4,386	2,815	3,105	3,250	3,219	12,389
Income tax expense (benefit)	1,781	1,337	1,377	(95)	4,401	2,383	2,988	4,688	5,190	15,249
Depreciation & amortization	5,175	4,986	4,822	4,617	19,600	4,193	4,226	4,084	3,810	16,313
EBITDA	<u>\$ 11,102</u>	<u>\$ 9,199</u>	<u>\$ 11,211</u>	<u>\$ 16,465</u>	<u>\$ 47,978</u>	<u>\$ 15,800</u>	<u>\$ 17,477</u>	<u>\$ 28,998</u>	<u>\$ 35,324</u>	<u>\$ 97,600</u>
Adjusted EBITDA from Continuing Operations (3)										
EBITDA	\$ 11,102	\$ 9,199	\$ 11,211	\$ 16,465	\$ 47,978	\$ 15,800	\$ 17,477	\$ 28,998	\$ 35,324	\$ 97,600
Impairment & divestiture charges (benefit)	-	1,116	-	1,297	2,413	-	-	-	(6,155)	(6,155)
Restructuring charges (1)	2,737	1,832	517	3,049	8,135	982	2,987	2,252	1,461	7,681
Gain on sale of facility, net of transaction charges	-	-	(585)	-	(585)	-	-	-	-	-
Leadership transition charges (benefit) (2)	3,759	1,747	2,800	(37)	8,269	400	202	90	90	783
Business review charges	-	2,500	502	-	3,002	-	-	-	-	-
M&A charges	-	-	-	-	-	-	196	166	653	1,015
ASCEND transformation program charges	-	-	3,856	9,760	13,616	9,419	11,372	5,947	8,681	35,419
Adjusted EBITDA	<u>\$ 17,598</u>	<u>\$ 16,394</u>	<u>\$ 18,301</u>	<u>\$ 30,534</u>	<u>\$ 82,828</u>	<u>\$ 26,601</u>	<u>\$ 32,234</u>	<u>\$ 37,453</u>	<u>\$ 40,054</u>	<u>\$ 136,343</u>
Adjusted EBITDA %	13.4%	12.0%	12.0%	20.1%	14.5%	19.1%	22.7%	24.0%	24.9%	22.8%

Reconciliation of Non-GAAP Measures

(In thousands, except for per share amounts)

	Fiscal 2022					Fiscal 2023				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Adjusted Earnings (4)										
Net Earnings	\$ 2,788	\$ 1,221	\$ 1,643	\$ 10,034	\$ 15,686	\$ 7,453	\$ 4,497	\$ 12,380	\$ 22,231	\$ 46,561
Loss from Discontinued Operations, net of income tax	(397)	(900)	(2,418)	(190)	(3,905)	1,044	(2,661)	(4,596)	(874)	(7,088)
Earnings from Continuing Operations	\$ 3,185	\$ 2,121	\$ 4,061	\$ 10,224	\$ 19,591	\$ 6,409	\$ 7,158	\$ 16,976	\$ 23,105	\$ 53,649
Impairment & divestiture charges (benefit)	-	1,116	-	1,297	2,413	-	-	-	(6,155)	(6,155)
Restructuring charges (1)	2,737	1,832	517	3,049	8,135	982	2,987	2,252	1,461	7,681
Gain on sale of facility, net of transaction charges	-	-	(585)	-	(585)	-	-	-	-	-
Leadership transition charges (benefit) (2)	3,759	1,747	2,800	(37)	8,269	400	202	90	90	783
Business review charges	-	2,500	502	-	3,002	-	-	-	-	-
M&A charges	-	-	-	-	-	-	196	166	653	1,015
ASCEND transformation program charges	-	-	3,856	9,760	13,616	9,419	11,372	5,947	8,681	35,419
Accelerated debt issuance costs	-	-	-	-	-	317	-	-	-	317
Net tax effect of reconciling items above	42	(805)	(1,366)	(4,162)	(6,291)	(719)	(1,652)	(3,197)	(4,408)	(9,976)
Other income tax (benefit) expense	-	210	-	-	210	-	144	-	-	144
Adjusted Earnings from Continuing Operations	\$ 9,723	\$ 8,721	\$ 9,785	\$ 20,131	\$ 48,360	\$ 16,808	\$ 20,407	\$ 22,234	\$ 23,427	\$ 82,877
Adjusted Diluted Earnings per share (4)										
Net Earnings	\$ 0.05	\$ 0.02	\$ 0.03	\$ 0.17	\$ 0.26	\$ 0.13	\$ 0.08	\$ 0.22	\$ 0.40	\$ 0.82
Loss from Discontinued Operations, net of income tax	(0.01)	(0.01)	(0.04)	(0.00)	(0.07)	0.02	(0.05)	(0.08)	(0.02)	(0.12)
Earnings from Continuing Operations	\$ 0.05	\$ 0.03	\$ 0.07	\$ 0.18	\$ 0.33	\$ 0.11	\$ 0.12	\$ 0.30	\$ 0.41	\$ 0.94
Impairment & divestiture charges (benefit), net of tax effect	-	0.01	-	0.02	0.04	-	-	-	(0.11)	(0.11)
Restructuring charges (1), net of tax effect	0.04	0.03	0.01	0.04	0.11	0.02	0.05	0.03	0.01	0.11
Gain on sale of facility, net of transaction charges, net of tax effect	-	-	(0.01)	0.00	(0.01)	-	-	-	-	-
Leadership transition charges (benefit) (2), net of tax effect	0.06	0.03	0.04	(0.01)	0.12	0.01	0.00	0.00	0.00	0.01
Business review charges, net of tax effect	-	0.04	0.01	(0.01)	0.04	-	-	-	-	-
M&A charges, net of tax effect	-	-	-	-	-	-	0.00	0.00	0.01	0.01
ASCEND transformation program charges, net of tax effect	-	-	0.05	0.13	0.17	0.15	0.17	0.06	0.10	0.48
Accelerated debt issuance costs, net of tax effect	-	-	-	-	-	0.01	0.00	0.00	0.00	0.00
Other income tax (benefit) expense	-	0.00	-	-	-	-	0.00	-	-	-
Adjusted Diluted Earnings per share from Continuing Operations	\$ 0.16	\$ 0.14	\$ 0.16	\$ 0.35	\$ 0.81	\$ 0.29	\$ 0.35	\$ 0.39	\$ 0.42	\$ 1.45

Footnotes to Reconciliation Tables

- (1) Approximately \$0.6 million of the Q4 fiscal 2023 restructuring charges were recorded in cost of products sold.
- (2) Caption updated from "Leadership transition & board search charges (benefit)" used during Fiscal 2022, costs included have not been altered.
- (3) EBITDA represents net earnings from continuing operations before financing costs, net, income tax expense (benefit), and depreciation & amortization. Neither EBITDA nor adjusted EBITDA are calculated based upon generally accepted accounting principles ("GAAP"). The amounts included in the EBITDA and adjusted EBITDA calculation, however, are derived from amounts included in the Condensed Consolidated Statements of Earnings. EBITDA and adjusted EBITDA should not be considered as alternatives to net earnings, operating profit or operating cash flows. The Company has presented EBITDA and adjusted EBITDA because it regularly reviews these performance measures. In addition, EBITDA and adjusted EBITDA are used by many of our investors and lenders, and are presented as a convenience to them. The EBITDA and adjusted EBITDA measures presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.
- (4) Adjusted earnings from continuing operations and adjusted diluted earnings per share represent net earnings and diluted earnings per share per the Condensed Consolidated Statements of Earnings net of charges or credits for items to be highlighted for comparability purposes. These measures are not calculated based upon GAAP and should not be considered as an alternative to net earnings or diluted earnings per share or as an indicator of the Company's operating performance. However, this presentation is important to investors for understanding the operating results of the current portfolio of Enerpac Tool Group companies.