

November 16, 2022



Enerpac Tool Group Hosting Investor Day

Will Provide Update on Long-Term Strategy and Multi-Year Financial Targets; Reconfirms Fiscal 2023 Guidance

MILWAUKEE--(BUSINESS WIRE)-- Enerpac Tool Group Corp. (NYSE: EPAC) (the “Company”) today will host its 2022 Investor Day, “Raising the Bar.” Paul Sternlieb, President & Chief Executive Officer, will be joined by the Company’s executive leadership team to launch Enerpac Tool Group’s updated growth strategy and long-term financial targets, discuss its capital allocation priorities, and provide updates on its ASCEND transformation program.

“We have made significant progress over the past twelve months in transforming the business, and today we are very pleased to announce our updated, focused growth strategy and share our new long-term financial targets,” said Paul Sternlieb. “The theme of our investor day is “Raising the Bar,” as we lay out our clear and focused plan to unlock the full potential of our business. Our strategy is designed to help us accelerate organic growth in key vertical markets. Moreover, our ASCEND transformation program is changing the way we operate and serve our customers. We are excited to feature the depth of our management team at the event and to demonstrate our keen focus on executing our growth strategy and our ASCEND initiatives, which we expect will deliver profitable growth for all our stakeholders.”

Mr. Sternlieb added, “We have built an exciting, defined organic growth strategy that is focused on maximizing shareholder value and capitalizing on global macro trends. Our ASCEND transformation program, designed to drive sustainable performance improvement, create resiliency, and enable Enerpac to manage through cycles, is already yielding results. Moreover, with the diversity of end markets we serve, coupled with our strong balance sheet and disciplined capital allocation plan, focus on free cash flow generation, and a portfolio of self-help initiatives in ASCEND at the ready, we are well positioned to manage through uncertain times.”

In conjunction with today’s event, the Company is introducing the following financial targets for the Fiscal 2023 to 2026 period:

- Organic sales growth of 6 – 7% CAGR (based on Fiscal 2022 FX adjusted revenue of \$550 million);
- Through the successful execution of ASCEND, achieve 25% adjusted EBITDA margins as we exit Fiscal 2024 with approximately 50 bps improvement in subsequent years; and,
- Annual free cash flow conversion in excess of 100% toward the end of the period (lower in earlier years due to ASCEND one-time costs) which will be used to fuel further growth.

The Company is also reaffirming its full year guidance for Fiscal 2023 of:

- Net sales of \$565 to \$585 million;

- Adjusted EBITDA of \$113 to \$123 million, including an EBITDA benefit of \$12 to \$18 million from ASCEND; and,
- Free cash flow of \$50 to \$65 million.

This guidance is based on foreign currency rates as stated in our guidance announcement on September 28, 2022 and assumes no global recession.

A replay of the event, along with supporting materials, will be available through the Investor Relations section of the Company's website at www.enerpactoolgroup.com.

About Enerpac Tool Group

Enerpac Tool Group Corp. is a premier industrial tools, services, technology and solutions provider serving a broad and diverse set of customers in more than 100 countries. We make complex, often hazardous jobs possible safely and efficiently. The Company's businesses are global leaders in high pressure hydraulic tools, controlled force products, and solutions for precise positioning of heavy loads that help customers safely and reliably tackle some of the most challenging jobs around the world. The Company was founded in 1910 and is headquartered in Menomonee Falls, Wisconsin. Enerpac Tool Group common stock trades on the NYSE under the symbol EPAC. For further information on Enerpac Tool Group and its businesses, visit the Company's website at www.enerpactoolgroup.com.

Safe Harbor Statement

Certain of the above comments, including statements with respect to financial targets for the Fiscal 2023 to 2026 period and full year guidance for Fiscal 2023, represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Management cautions that these statements are based on current estimates of future performance and are highly dependent upon a variety of factors, which could cause actual results to differ from these estimates. Among other risks and uncertainties, Enerpac Tool Group's results are subject to risks and uncertainties arising from general economic conditions, supply chain risk, material and labor cost increases, the COVID-19 pandemic, including the impact of the pandemic or related government responses on the Company's business, the businesses of the Company's customers and vendors, employee mobility and whether site-specific health and safety concerns related to COVID-19 might require operations to be halted for some period of time, volatile oil pricing, variation in demand from customers, the impact of geopolitical activity on the economy, 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, continued market acceptance of the Company's new product introductions, the successful integration of acquisitions, the impact of restructurings, the ability of the Company to achieve its plans or objectives related to the ASCEND program, including any assumptions underlying its calculation of expected incremental adjusted EBITDA, operating margin risk due to competitive pricing and operating efficiencies, tax law changes, foreign currency fluctuations and interest rate risk. See the Company's Form 10-K for the Fiscal year ended August 31, 2022 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.

Non-GAAP Financial Information

This press release references financial measures that are not measures presented in conformity with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP measures include EBITDA, adjusted EBITDA, adjusted EBITDA margin, and free cash flow. These non-GAAP measures are not necessarily comparable to similarly-titled measures used by other companies.

Tables attached to this press release present reconciliations of adjusted EBITDA and free cash flow anticipated for full year Fiscal 2023 to the most comparable GAAP measure estimable by the Company. The reconciliation presented for adjusted EBITDA is to operating profit as management is unable to predict and estimate with certainty items such as potential impairments, refinancing costs, business divestiture gains/losses, discrete tax adjustments, or other items impacting GAAP financial metrics. Reconciliations of adjusted EBITDA, adjusted EBITDA margin and free cash flow targets for the Fiscal 2023 to 2026 period to the most comparable GAAP measure are not presented, as the period for these forward-looking statements makes it impractical to present quantitative reconciliations of such measures to comparable GAAP measures. Adjusted EBITDA and free cash flow targets for the Fiscal 2023 to 2026 period are calculated in a manner consistent with the presentation of these measures in the attached tables.

Enerpac Tool Group Corp.
Supplemental Unaudited Data
Reconciliation of GAAP To Non-GAAP Guidance
(In Millions)

	Fiscal 2023	
	Low	High
Reconciliation of Continued Operations GAAP Operating Profit		
To Adjusted EBITDA		
GAAP Operating profit	\$ 64	\$ 83
ASCEND transformation program charges	23	18
Restructuring charges	9	7
Adjusted operating profit	\$ 96	\$ 108
Other expense, net	(1)	(1)
Depreciation & amortization	18	16
Adjusted EBITDA	\$ 113	\$ 123
Reconciliation of GAAP Cash Flow From Operations to Free Cash Flow		
Cash provided by operating activities	\$ 60	\$ 80
Capital expenditures	(10)	(15)
Other	-	-
Free Cash Flow Guidance	\$ 50	\$ 65

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