

# Ingersoll Rand

Divestiture of Club Car

April 12, 2021



# Forward-Looking Statements

This presentation contains “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements related to the proposed transaction between Ingersoll Rand Inc. (the “Company” or “Ingersoll Rand”) and American Industrial Partners. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “on track to,” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected benefits of the transaction, including future financial and operating results and strategic benefits, and the Company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions and any assumptions underlying any of the foregoing, are forward-looking statements.

These forward-looking statements are based on Ingersoll Rand’s current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from these current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the impact on the Company’s business, suppliers and customers and global economic conditions of the COVID-19 pandemic; (2) the risk that the proposed transaction may not be completed on the terms or in the time frame expected by Ingersoll Rand, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the Company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction; (6) inability of the Company to implement its business strategy; (7) inability of the Company to retain and hire key personnel; (8) evolving legal, regulatory and tax regimes; (9) changes in general economic and/or industry specific conditions; (10) actions by third parties, including government agencies; (11) adverse impact on the Company’s operations and financial performance due to natural disaster, catastrophe, pandemic or other event events outside of its control; and (12) other risk factors detailed from time to time in Ingersoll Rand’s reports filed with the Securities and Exchange Commission (the “SEC”), including Ingersoll Rand’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC, which are available on the SEC’s website at <http://www.sec.gov>. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this presentation. Ingersoll Rand undertakes no obligation to update any forward-looking statements, whether as a result of new information or developments, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

## Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information provided in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. The non-GAAP financial measures included in this presentation include the Supplemental Financial Information as described immediately below. The reconciliation of those measures to the most comparable GAAP measures is set forth in the appendix to this presentation.

## Supplemental Financial Information

Certain information in this presentation, which is referred to as “Supplemental Adjusted” information, presents the Company’s results of operations as if the divestiture of the High Pressure Solutions segment and Specialty Vehicle Technologies segment and the consummation of the Company’s transaction with Ingersoll-Rand plc had each occurred on January 1, 2020.

# Ingersoll Rand Achieves Key Milestone in Portfolio Optimization

- Ingersoll Rand has entered into an agreement to sell its Specialty Vehicle Technologies (“Club Car”) segment to Platinum Equity (“Platinum”) for \$1,680M, which implies an EV / 2020A Adjusted EBITDA multiple of 12.1x
- Club Car is a global leader in golf, commercial and consumer low-speed vehicles for commercial utility and personal transportation
- Platinum is a leading private equity firm specialized in carve-outs with a focus on long-term value creation and operational excellence to support growth
- Transaction is expected to close by Q3 2021, subject to customary closing conditions
- IRX was leveraged throughout the process and continues to drive execution of portfolio optimization

**Significant cash proceeds strengthen balance sheet and enhance capital allocation flexibility**

# Strategic Decision to Divest Club Car Achieves Key Goals for IR



**Focuses Ingersoll Rand on providing mission-critical flow creation and industrial solutions to high growth, sustainability-focused industrial, life sciences and healthcare markets**

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**Improves Ingersoll Rand's financial profile**

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**Recognizes a premium valuation for the leader in golf, commercial and consumer low-speed vehicles**

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**Significantly reduces Ingersoll Rand's net leverage and further strengthens balance sheet**

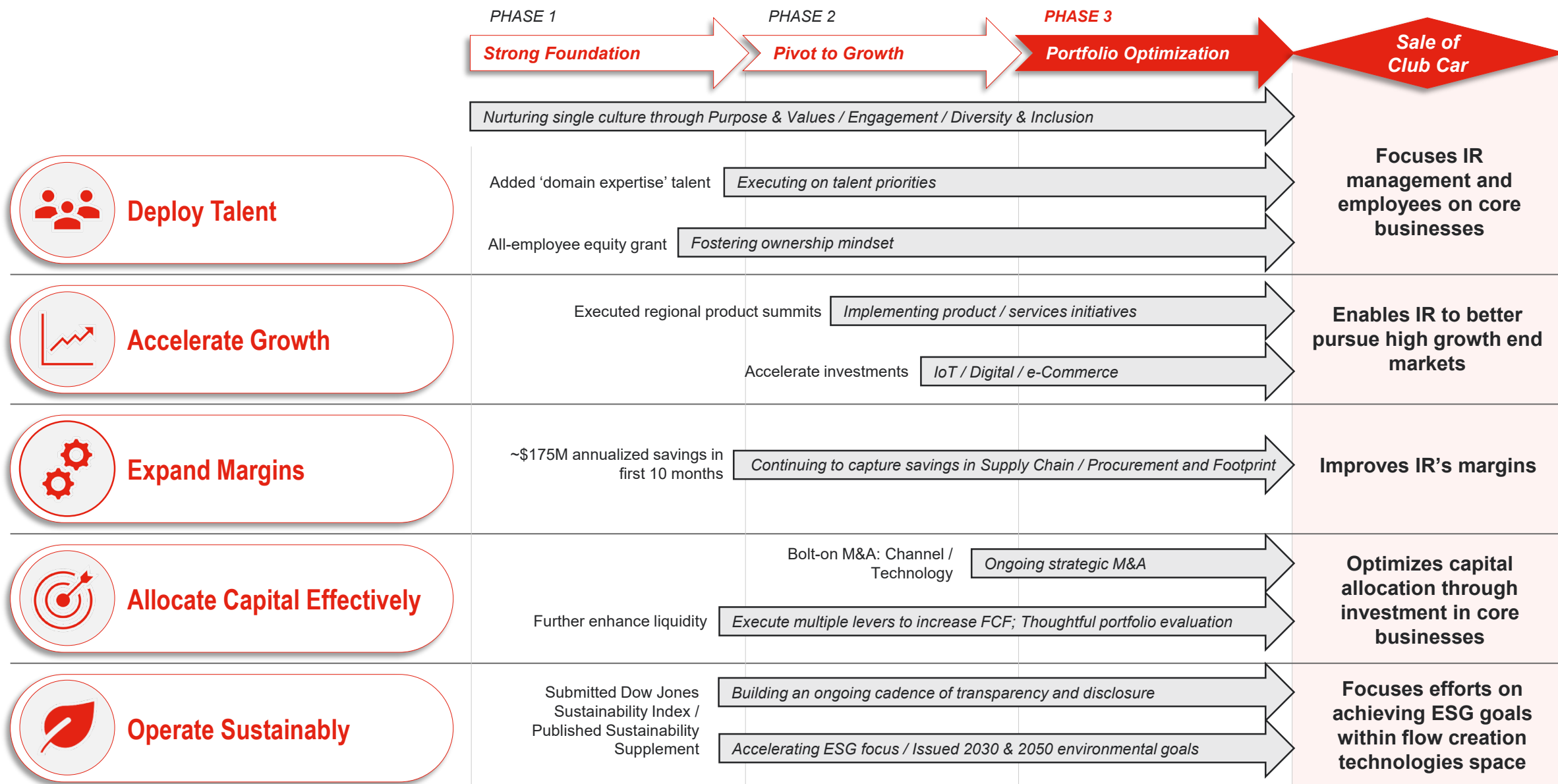
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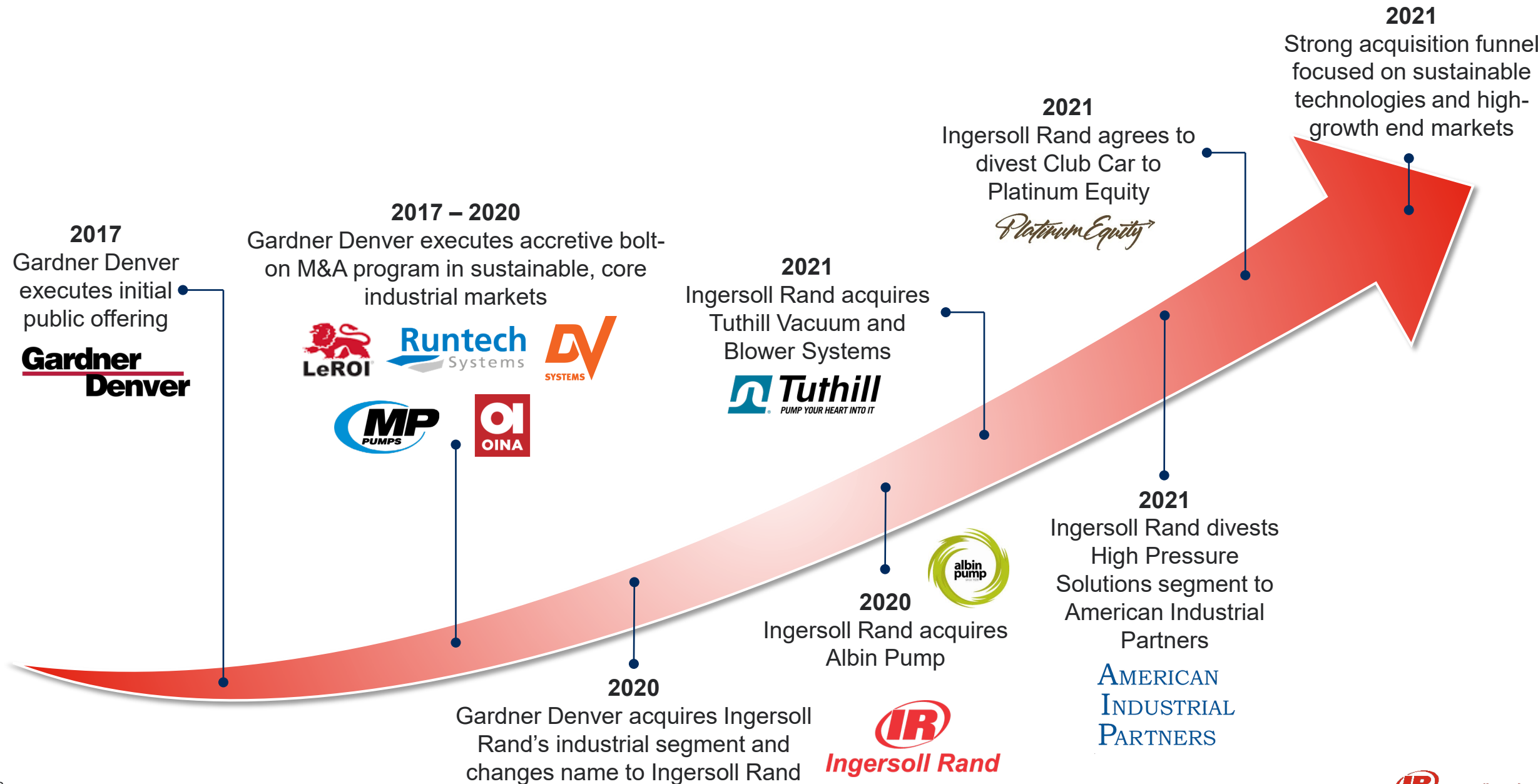
**Provides significant capital flexibility, including for organic and inorganic investment**

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# Sale of Club Car is an Impactful Step Toward Portfolio Optimization



# Sale of Club Car is Another Key Milestone in Ingersoll Rand's Evolution



# Ingersoll Rand is Focused on Sustainable Technologies in High Growth End Markets<sup>1</sup>

## Oil-Free Technology

### Industrial Technologies and Services

- Oil-free air compressors have no oil present in the compression chamber and **eliminate risk of contamination, reduce environmental impact and lower energy usage**



Ingersoll Rand:  
185-355 kW (E-Series)



Gardner Denver:  
75-160 kW (Ultima)

**Delivering Results in Demand Generation Leads European Market Example**

**400+**

**Sales channel trainings**

**180**

Units in the funnel; **40 are Demand Gen traceable**

**\$15M**

**Funnel value created** all within Food and Pharma industry applications

**\$3B+ Addressable Market<sup>4</sup>**

## Water And Wastewater

### Industrial Technologies and Services



Aeration | Filter backwash  
Gas boosting | Combustion Air



Dewatering | Air and gas boosting



Slurry liquid pumping | Sludge treatment  
Biogas blower

### Precision and Science Technologies Segment



Chemical injection | Polymer preparation  
Mixing and agitation  
Coagulant measurement  
pH and water conditioning  
Continuous injection



Chemical transfer



**DOSATRON**

Proportional injection

**50+**

**Sales channels identified** with opportunities to increase wallet

**>\$30M**

**Immediate Funnel increase** by realigning resources and sharing opportunities

**>32K**

**Demand Generation** reachable contacts in addition to qualified leads and funnel targets

**~\$5B Addressable Market<sup>3</sup>**

## Hydrogen

### Precision and Science Technologies Segment

- Haskel is a market leader** with 70 years industry experience
- Turnkey solutions** include high-volume, large-scale stations (a), small-scale, mobile, cost-effective stations (b) and hydrogen dispensing (c)



a



b



c

**>\$90M**

Funnel increase in 2020

**>100**

Stations deployed globally powered by Haskel

**>30%**

Stations installed in China in last 2 years

### MARKET EXPECTATION

**~5,000 Installed Stations by 2027 = \$2.5B Market Opportunity<sup>2</sup>**

<sup>1</sup> All figures and estimates as shown in Ingersoll Rand's 3Q 2020 earnings presentation.

<sup>2</sup> Research commissioned by Precision and Science Technologies Segment of Ingersoll Rand Inc.

<sup>3</sup> Source: Frost and Sullivan, Markets and Markets, and GWI Global Water Report.

<sup>4</sup> Sources: CAGI, Frost & Sullivan, Oxford Economics, Management Estimates.

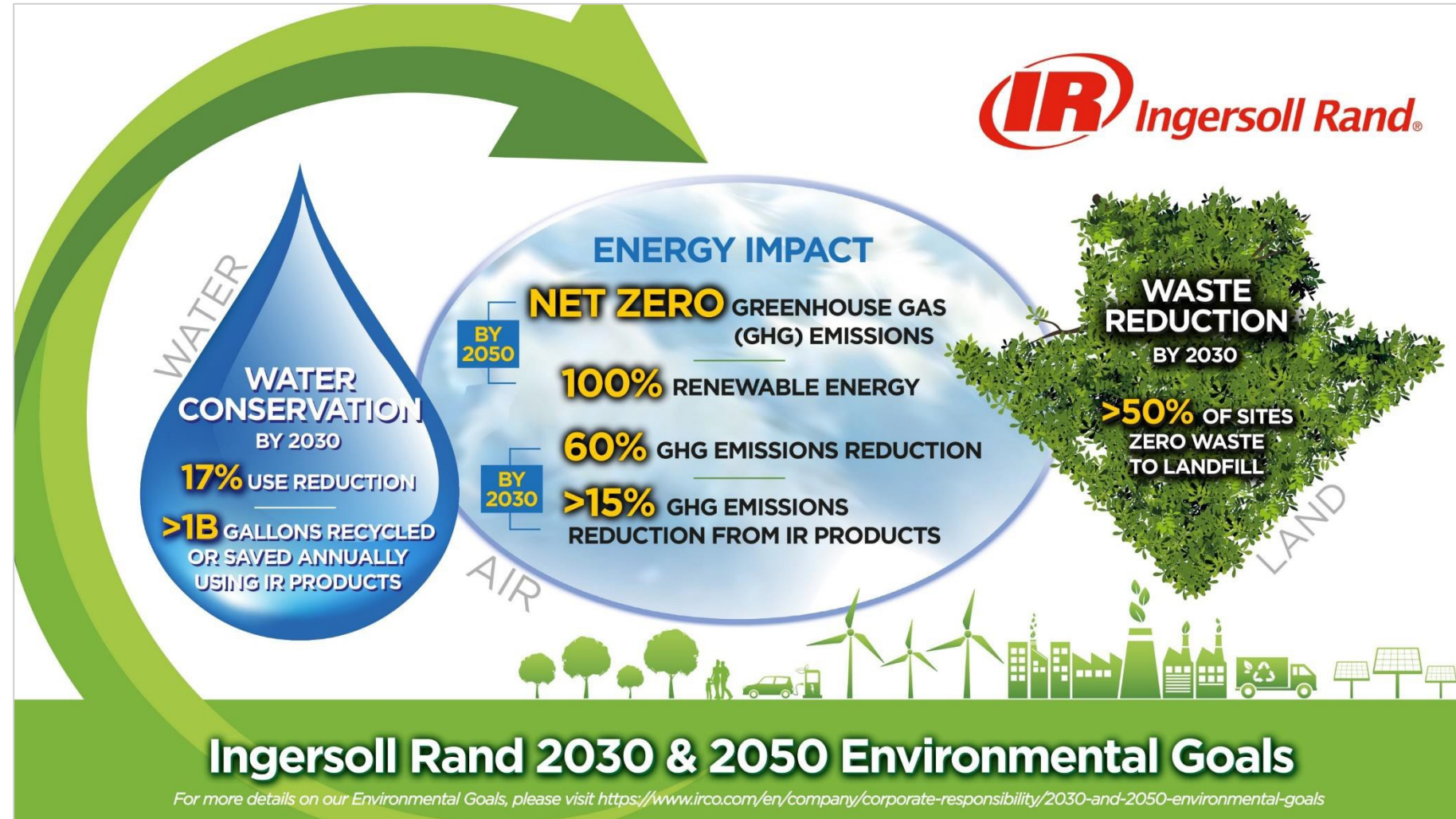


# Growing Sustainably with Relentless Focus on Our People and Planet

*Introduced 2030 and 2050 Environmental Goals*

## Most Material Factors to the Company

1. Energy use
2. Product stewardship, new product development and innovation
3. Our employees: investments in safety, employee ownership and culture to propel growth



**Commitment to Being Top-Quartile Industrial Environmental, Social and Governance (ESG) Company**



# Sale of HPS and Club Car Improves Ingersoll Rand's Financial Profile

(\$M)

## FY2020A

	IR as of LTM Dec. 31, 2020	IR as Adjusted for HPS & SVT Transactions	Current Net Impact of Divestiture Program
Supplemental Adjusted Revenue	\$5,380	\$4,344	
Supplemental Adjusted EBITDA	\$1,078 <sup>1</sup>	\$923	
Supplemental Adjusted EBITDA Margin	20.0%	21.2%	Improves 120 bps
Net Operating Working Capital <sup>2</sup>	\$1,118	\$932	NWC profile remains strong with room to improve
Net Operating Working Capital as a % of Supplemental Adjusted Revenue	20.8%	21.4%	
Net Leverage <sup>3</sup>	2.0x	<1.0x	Improves >1.0x

**Execution of divestiture program positions Ingersoll Rand as a premier industrial company with a strong growth profile, superior margins and capital flexibility**

<sup>1</sup> FY2020 Supplemental Adjusted EBITDA as reported in earnings presentation on February 23, 2021.

<sup>2</sup> Net Operating Working Capital defined as Accounts Receivable, Contract Assets and Inventory (excluding LIFO) less Accounts Payable and Current Contract Liabilities (current). Net operating working capital is not pro forma for discontinued operations and separation adjustments to balance sheet.

<sup>3</sup> Represents the ratio of cash on hand as of December 31, 2020, as adjusted to reflect the estimated net cash proceeds from the Club Car transaction and the divestiture of the Company's High Pressure Solutions segment after estimated taxes, less total debt as of December 31, 2020 to LTM Adjusted EBITDA, as defined in the Company's senior secured credit agreement, for the year ended December 31, 2020

# Key Takeaways from Sale of Club Car



**Sale of Club Car accelerates Ingersoll Rand's strategic initiative to optimize the portfolio on mission-critical flow creation and industrial solutions in high growth, sustainability-focused end markets**



**Transaction enhances balance sheet strength and drives strategic flexibility to pursue significant organic and inorganic investment**



**Ingersoll Rand continues to leverage IRX to drive results and execute strategy, including portfolio optimization**

# Appendix

# Supplemental Adjusted Revenue and Supplemental Adjusted EBITDA, Both Further Adjusted for HPS & SVT Transactions

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL ADJUSTED REVENUE AND SUPPLEMENTAL ADJUSTED EBITDA**  
(Unaudited; in millions)

	<b>For the Twelve Month Period Ended December 31, 2020<sup>(1)</sup></b>
<b>Supplemental Adjusted Revenue</b>	<b>\$ 5,380.1</b>
Minus:	
High Pressure Solutions Revenue	195.6
Specialty Vehicle Technologies Revenue	840.1
<b>Supplemental Adjusted Revenue, Further Adjusted for the HPS &amp; SVT Transactions</b>	<b>\$ 4,344.4</b>
 <b>Supplemental Adjusted EBITDA</b>	 <b>\$ 1,077.9</b>
Minus:	
High Pressure Solutions Supplemental Segment adjusted EBITDA	12.3
Specialty Vehicle Technologies Supplemental Segment adjusted EBITDA	142.9
<b>Supplemental Adjusted EBITDA, Further Adjusted for the HPS &amp; SVT Transactions</b>	<b>\$ 922.7</b>

(1) See tables below for details on this calculation

# Adjusted Operating Working Capital

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**ADJUSTED OPERATING WORKING CAPITAL**  
(Unaudited; in millions)

	As of December 31, 2020			
	Ingersoll Rand, As Reported	High Pressure Solutions	Specialty Vehicle Technologies	Ingersoll Rand, As Adjusted
<b>Operating Working Capital</b>				
Accounts receivable and contract assets	\$ 1,027.1	\$ 32.2	\$ 72.6	\$ 922.3
Plus: Inventories (excluding LIFO)	934.8	157.4	68.3	709.1
Less: Accounts payable	671.1	26.0	110.2	534.9
Less: Contract liabilities	172.8	0.8	7.3	164.7
Operating working capital	<u>\$ 1,118.0</u>	<u>\$ 162.8</u>	<u>\$ 23.4</u>	<u>\$ 931.8</u>



# Table 1: Reconciliation of Net Income (Loss) to Adjusted EBITDA, Supplemental Adjusted EBITDA and Supplemental Adjusted EBITDA further adjusted for HPS & SVT Transactions

**INGERSOLL RAND INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA, SUPPLEMENTAL ADJUSTED EBITDA AND**  
**SUPPLEMENTAL ADJUSTED EBITDA FURTHER ADJUSTED FOR HPS & SVT TRANSACTIONS**  
(Unaudited; in millions)

	<b>For the Twelve Month Period Ended December 31, 2020</b>
<b>Net Income (Loss)</b>	<b>\$ (32.3)</b>
Plus:	
Interest expense	111.1
Provision for income taxes	12.9
Depreciation expense	97.1
Amortization expense	395.8
Impairment of intangible assets	19.9
Restructuring and related business transformation costs	97.9
Acquisition related expenses and non-cash charges	233.1
Stock-based compensation	50.8
Foreign currency transaction losses, net	20.9
Loss on extinguishment of debt	2.0
Other adjustments	8.4
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>1,017.6</b>
<b>Additional Segment Adjusted EBITDA Adjustments<sup>(2)</sup>:</b>	
Industrial Technologies & Services	40.3
Precision & Science Technologies	20.4
Specialty Vehicle Technologies	4.3
High Pressure Solutions	0.2
Incremental corporate expenses not allocated to segments	(4.9)
<b>Supplemental Adjusted EBITDA</b>	<b>\$ 1,077.9</b>
Minus:	
High Pressure Solutions Supplemental Segment adjusted EBITDA	12.3
Specialty Vehicle Technologies Supplemental Segment adjusted EBITDA	142.9
<b>Supplemental Adjusted EBITDA, Further Adjusted for the HPS &amp; SVT Transactions</b>	<b>\$ 922.7</b>

(1) These amounts have not been adjusted to reflect the pro forma impact of a full quarter of the newly combined Ingersoll Rand.

(2) These "Additional Segment Adjusted EBITDA Adjustments" represent the impact of two months (January and February of 2020) of standalone legacy Ingersoll Rand Industrial Segment activity in the twelve month period ended December 31, 2020 and a full year of standalone legacy Ingersoll Rand Industrial Segment activity in the twelve month period ended December 31, 2019. The incremental corporate expenses not allocated to segments represent additional corporate expenses incurred by the Company to operate the newly combined Ingersoll Rand.

## Table 2: Reconciliation of GAAP Revenue to Supplemental Adjusted Revenue by Segment and for the Company and Segment Adjusted EBITDA to Supplemental Adjusted EBITDA

INGERSOLL RAND INC. AND SUBSIDIARIES			
UNAUDITED SUPPLEMENTAL ADJUSTED COMBINED FINANCIAL INFORMATION RECONCILIATION OF GAAP REVENUE TO SUPPLEMENTAL ADJUSTED REVENUE BY SEGMENT AND FOR THE COMPANY AND SEGMENT ADJUSTED EBITDA TO SUPPLEMENTAL SEGMENT ADJUSTED EBITDA			
(in millions)			
For the Twelve Month Period Ended December 31, 2020			
	GAAP Revenue	Adjustments (1)	Supplemental Adjusted Revenue
<b>Segment</b>			
Industrial Technologies & Services	\$ 3,248.2	\$ 291.8	\$ 3,540.0
Precision & Science Technologies	725.0	79.4	804.4
Specialty Vehicle Technologies	741.4	98.7	840.1
High Pressure Solutions	195.6	—	195.6
<b>Total Company</b>	<b>\$ 4,910.2</b>	<b>\$ 469.9</b>	<b>\$ 5,380.1</b>
	Adjusted EBITDA	Adjustments (1)	Supplemental Adjusted EBITDA
<b>Segment</b>			
Industrial Technologies & Services	\$ 759.8	\$ 40.3	\$ 800.1
Precision & Science Technologies	220.2	20.4	240.6
Specialty Vehicle Technologies	138.6	4.3	142.9
High Pressure Solutions	12.1	0.2	12.3
<b>Total Segments</b>	<b>\$ 1,130.7</b>	<b>\$ 65.2</b>	<b>\$ 1,195.9</b>

(1) The "Adjustments" represent the impact of two months (January and February of 2020) of standalone legacy Ingersoll Rand Industrial Segment activity in the three month period ended March 31, 2020. As it relates to adjustments to Segment Adjusted EBITDA, these amounts are impacted by the newly merged Company's corporate costs, a portion of which is allocated to the business segments.

### Unaudited Supplemental Historical Financial Information

Ingersoll Rand is providing the above unaudited supplemental historical financial information of the Company on a non-GAAP adjusted basis for the year ended December 31, 2020 as if the transaction between Gardner Denver Holdings, Inc. and Ingersoll Rand plc was completed on January 1, 2018, to assist investors in assessing Ingersoll Rand's historical performance on a basis that includes the combined results of operations of both Gardner Denver Holdings, Inc. and Ingersoll-Rand plc's Industrial segment. Ingersoll Rand management believes this unaudited supplemental historical financial information helps investors understand the long-term profitability trends of its newly combined business giving effect to the Transaction and facilitates comparisons of our profitability to prior and future periods and to our peers. The supplemental historical financial information herein may not be comparable to similarly titled measures reported by other companies.