ENERPAC®
TOOL GROUP

Fiscal 2022
First Quarter Earnings

December 21, 2021

Forward-Looking Statements

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. Those factors are contained in Enerpac Tool Group’s Securities and Exchange Commission filings.

All estimates of future performance are as of December 21, 2021. Enerpac Tool Group’s inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental financial schedules at the end of this presentation or accompanying the Q1 Fiscal 2022 earnings press release for a reconciliation to the appropriate GAAP measure.

Why Enerpac Tool Group?

- Great products, services, and team
- Strong market position, global breadth and depth
- Heavy lifting of portfolio work is done, and Enerpac is now a pure-play industrial tools and services company
- Many business processes improved (NPD, marketing, digital, operations)
- Successfully navigated through the pandemic
- Strong balance sheet
- Poised for profitable growth

Initial Observations and Key Objectives

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Focus and Discipline

- Continue and accelerate our pure-play industrial tools strategy
- Capture organic opportunities for improvements in base business (both growth and margin)
- Look selectively at inorganic opportunities to complement our product and service portfolio, while maintaining appropriate discipline and commitment to strong returns
- Maintain a balanced capital allocation framework, always through the lens of the shareholder

Culture and Execution

- Focus on frequent, open, and transparent communication within the organization
- Leverage existing operational metrics with consistent approach and framework
- Build deeper connection to end-user to drive innovation and create value
- Continue performance management journey, maintaining alignment with shareholders

Cost Structure

- Simplify and flatten organization
- Pursue additional opportunities for overhead cost reduction and operational efficiencies
- Drive further simplification with an 80/20 lens

Market Update

Overview

- Supply chain and logistics continued to be a challenge in the quarter
- Announced additional pricing actions to offset on-going inflationary pressures
- Returned to our typical quarterly seasonality, which is anticipated to continue throughout the fiscal year
- While distributors have largely adjusted to safely operating in the COVID environment, variants have created some caution

IT&S Regional Core Sales

- Americas growth: ~low 20%
- Asia Pacific growth: ~low double digits%
- Middle East growth: ~low single digits%
- Europe decline: ~mid single digits%

Regional Update

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Americas / Europe

- Solid year-over-year core growth in Americas
- Slight year-over-year core sales decline in Europe
- Strong service quarter in Americas related to specialty machining
- Key Verticals
  - Positive trends in Infrastructure, Power Generation and Rail
  - Infrastructure, Power Generation, Mining and Oil & Gas continue to be strong in Europe
  - Mining continues to be strong in Latin America
- Distribution
  - Experienced an increase in stocking orders in the quarter and drop ships have stabilized
  - Onsite visits are somewhat limited due to on-going COVID concerns and travel restrictions

Asia Pacific

- Year-over-year core growth
- Region has started to see less COVID disruption; continuing to trend to a more positive outlook
- Key Verticals
  - Majority of verticals are stable to improving
  - Oil & gas activity was driven by oil prices and the expectation that energy demand will continue
  - Mining remained strong due to iron ore pricing

Regional Update

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Middle East/North Africa/Caspian (MENAC)

- Modest year-over-year core growth
- COVID related travel restrictions, which are changing on short notice, continue to affect labor availability and movement
- Experienced shut-down delays in the quarter resulting in push outs into Q2
- Continuing to see pick up in maintenance activity, planning for major shut-downs for early calendar 2022
- Key Verticals
  - Continue to diversify beyond Oil & Gas
  - Power Generation and Construction remain positive
  - Oil & Gas experiencing large investment commitments in the region

First Quarter 2022 Comparable Results

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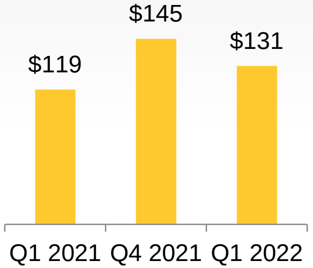
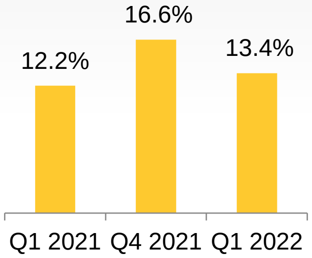
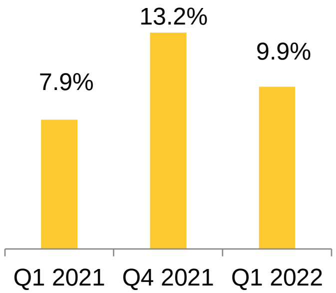
(US$ in millions except EPS)



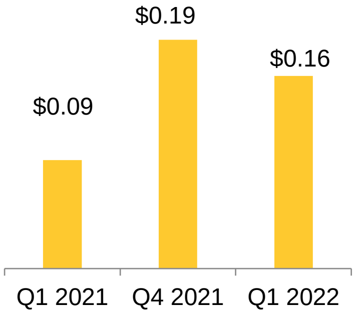
Net Sales*



Adjusted EBITDA %*



Adjusted Operating Profit %*



Adjusted Diluted EPS*

NET SALES

- Core sales growth of 9%
  - IT&S product sales 12%
  - Other product 32%
  - Service down low single digits
- Favorable impact of FX ~$0.2M

ADJUSTED EBITDA*

- Incremental margins of ~26%, excluding the impact of currency

ADJUSTED OPERATING PROFIT*

- Year-over-year increase is due to increased product volume and the associated operating leverage generated in our manufacturing facilities partially offset by lower service margins due largely to regional mix

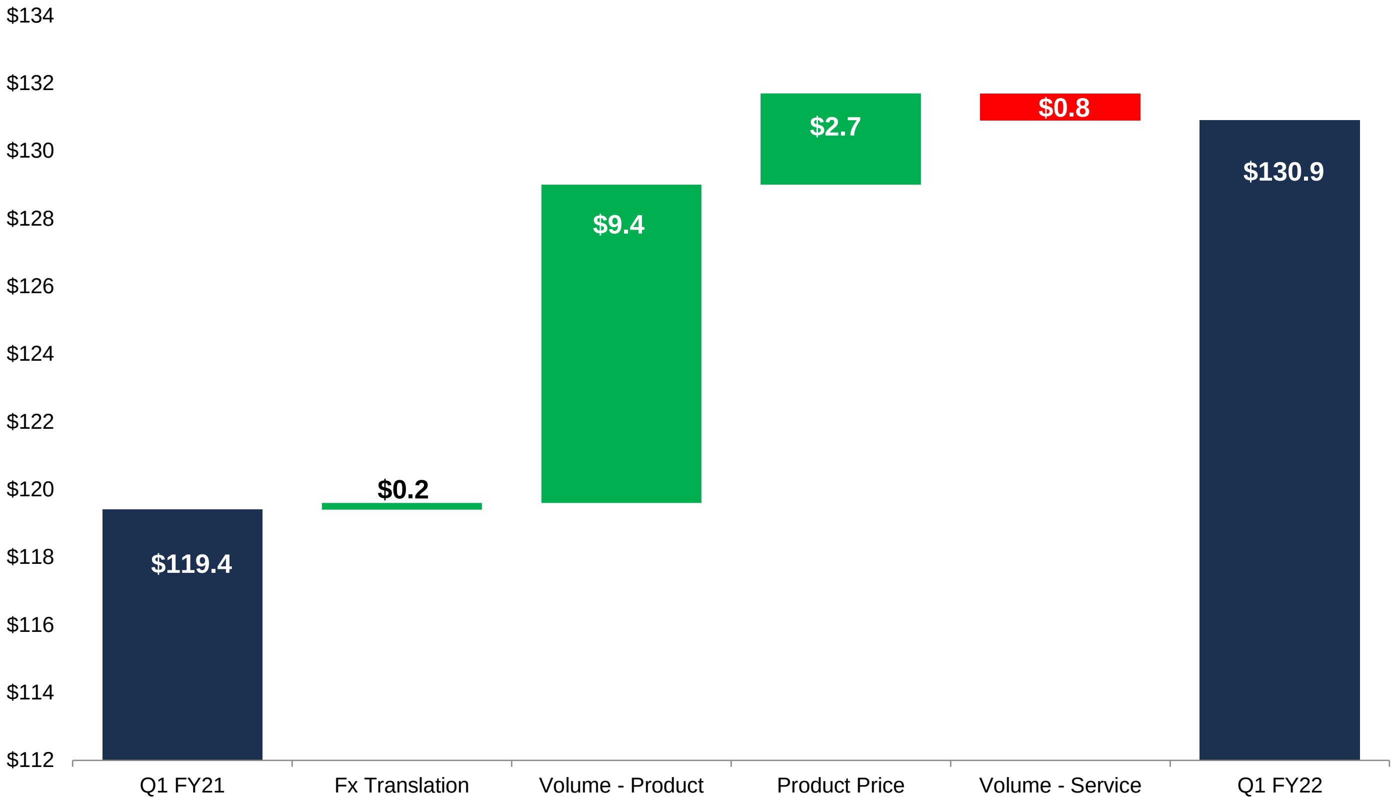
ADJUSTED DILUTED EPS*

- Year-over-year increase is due to operating margin increase, interest savings and the lower effective tax rate
- Adjusted effective tax rate for the quarter ~15% vs ~31% in the prior year

*Adjusted Operating Margin, EBITDA Margin and EPS excludes restructuring, impairment and other charges identified in the accompanying reconciliations to GAAP measures. In addition, see reconciliation of net sales to core sales in the appendix.

Net Sales Waterfall*

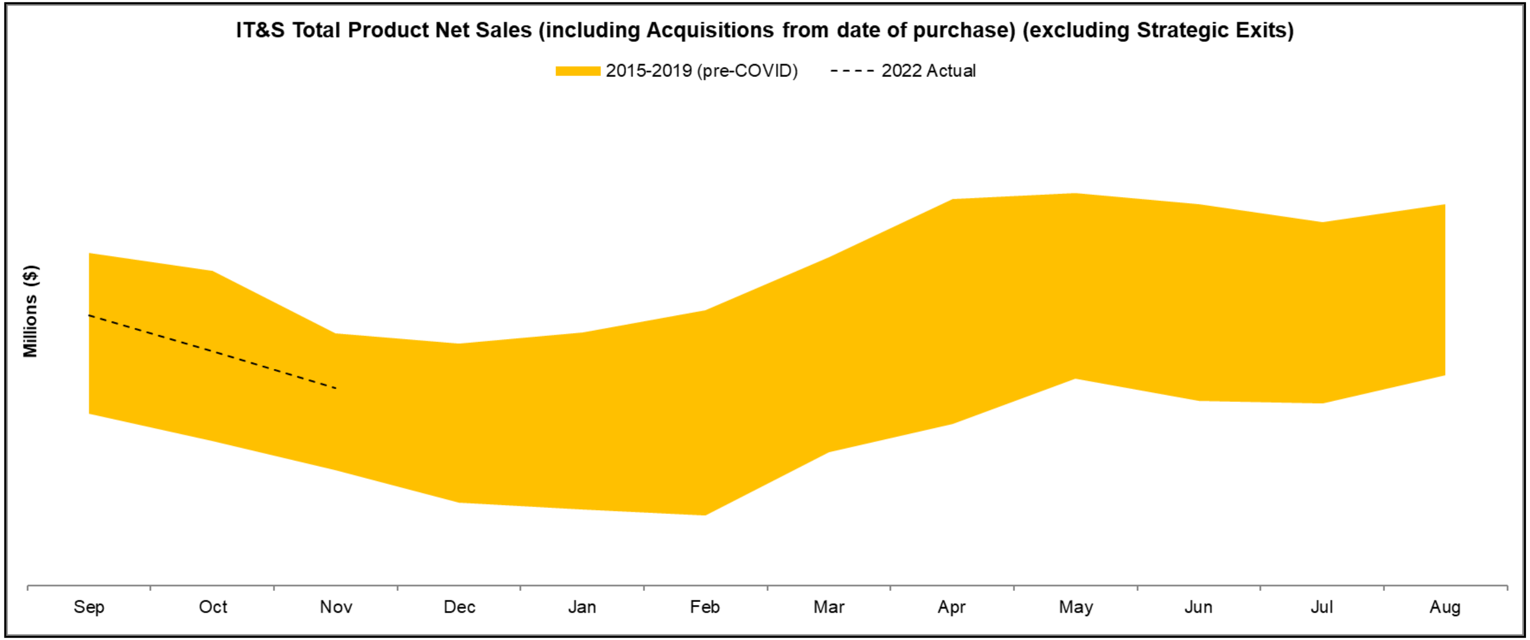
(US$ in millions)



We remain encouraged by the level of product volume that we saw during the quarter as our end markets continue to recover, despite on-going supply chain and logistical challenges

* See the reconciliation of net sales to core sales in the appendix.

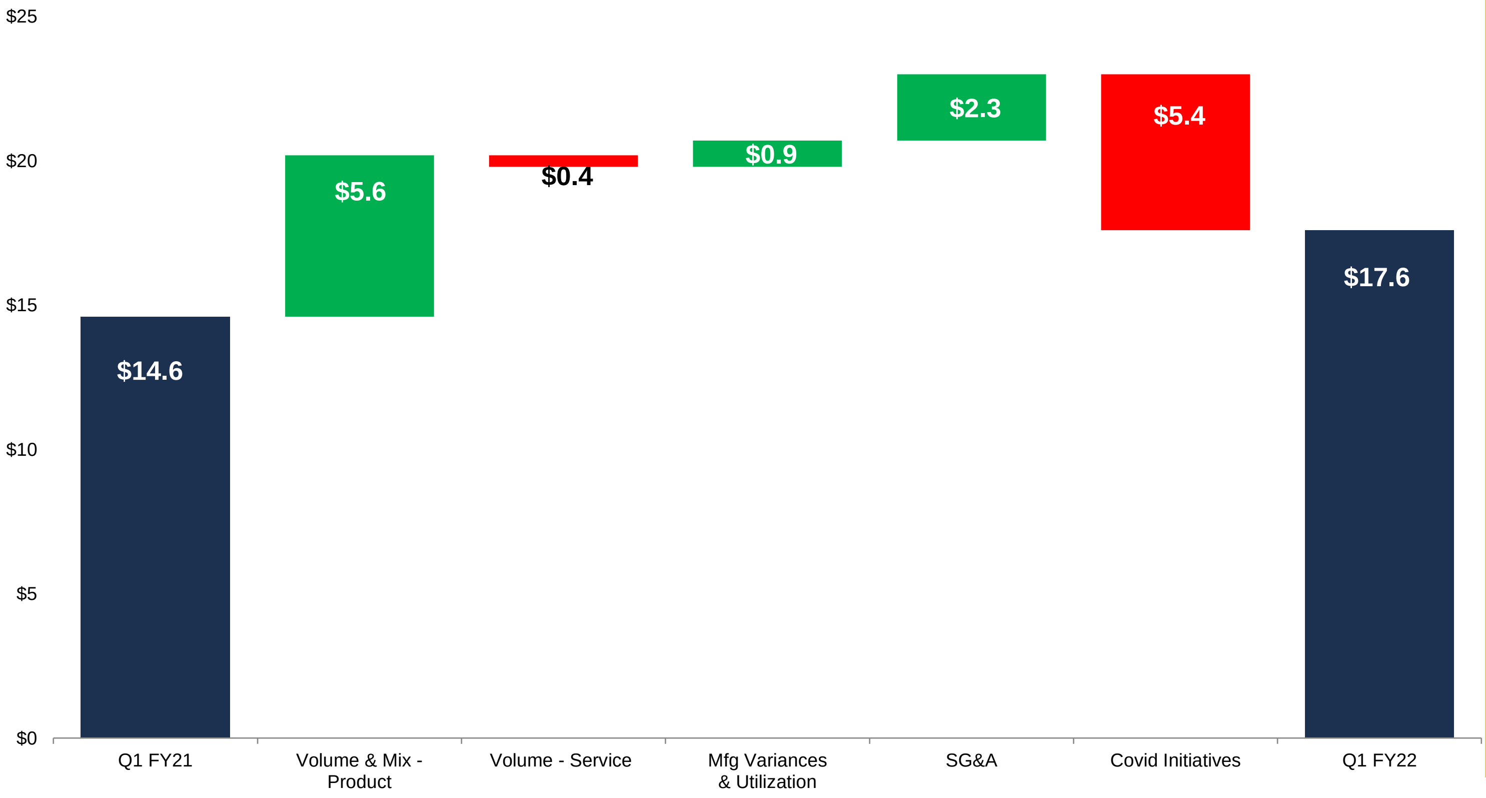
Product Net Sales



We returned to our normal seasonal trend this quarter. We expect that Q2 will be down sequentially, followed by sequential growth in the back half of the fiscal year.

Adjusted EBITDA Waterfall*

(US$ in millions)



Adjusted EBITDA benefited from higher product volume/mix and lower SG&A spend, partially offset by the year-over-year decrease in service volume and COVID related temporary cost savings put in place to offset reduced volume during the pandemic

* Includes certain Non-GAAP financial measures. See the accompanying reconciliation tables for additional details.

Supply Chain Update & Operations

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Execution

- Supply chain constraints, logistic challenges and material cost increases did not improve in the quarter
- Continue leveraging 2nd and 3rd supplier relationships to manage regional variation in supplier performance
- Working with national accounts and OEMs to get an extended view of expected demand
- Remain focused on controlling inventory levels in anticipation of longer lead times and Chinese New Year
- Supply chain and logistic challenges resulted in ~$5-$6 million of higher-than-normal backlog, consistent with Q4
- Expect supply and logistics challenges at least through the first half of fiscal 2022

Logistics & Commodity Costs

- Freight and material costs continue to be elevated
- Announced additional pricing effective January 1 as inflationary pressures continued
- Expect margin compression until inflationary costs subside

Operations

- Except for a few puts and takes, On-Time Delivery remained stable since Q4 despite supply chain constraints
- Utilization continues to improve with higher volumes
- Quality levels remain high
- Labor availability has remained stable

Liquidity – Positioned for Success

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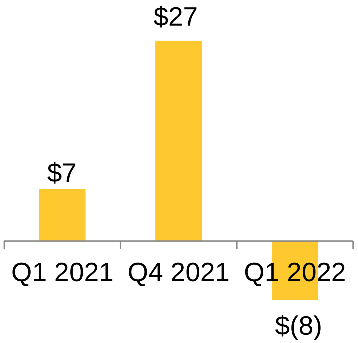
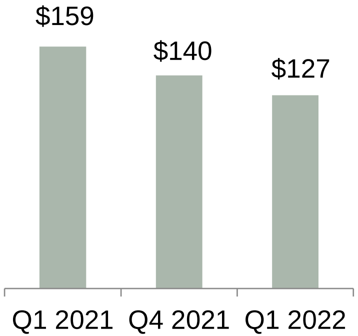
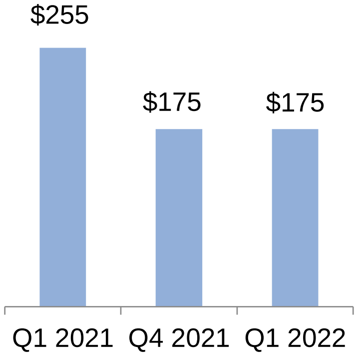
(US$ in millions)



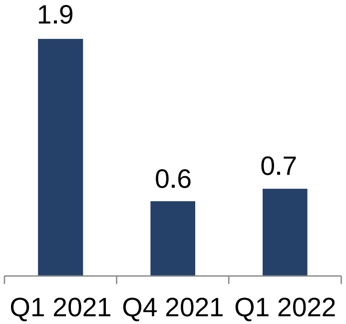
Free Cash Flow



Cash Balance



Gross Debt



TTM Financial Leverage*

<u>Free Cash Flow (FCF)</u>

- Proactively managing Primary Working Capital
  - Increase in AR since August due to timing of sales including final billings on several large projects
  - Increase in select inventory planned to get ahead of supply chain shortages, increased demand and Chinese New Year

<u>Leverage</u>

- Well below target range of 1.5-2.5x

* Calculated in accordance with the terms of the Company's March 2019 Senior Credit Facility

Expectations for Fiscal 2022

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Reiterating our Fiscal 2022 Full Year Guidance:

- **Sales in the range of $590 million to $610 million**
- **Projected year-over-year core growth by category**
  - IT&S Product ~ mid teens%
  - IT&S Service ~ mid single digits%
  - Other ~ low 20% to high 30%
- **Incremental EBITDA margins of 35%-45% excluding the impact of currency**

Fiscal 2022 Annual Modeling Assumptions:

- Tax Rate: ~20%-25%
- Depreciation/Amortization: ~$20-$22 million
- Interest Expense: ~$4-$5 million
- Capital Expenditures: ~$12-$15 million
- Cash Taxes: ~$10-$14 million
- 100% Free Cash Flow conversion
- Key FX rates :
  - $1.16/1€
  - $1.37/1£

We are cautious as we progress through fiscal 2022 but are closely monitoring headwinds and tailwinds.

Headwinds may include:

- **Foreign currency**
- **Inflationary factors**
- **Potential supply chain/logistic disruptions**
- **COVID related shutdowns**

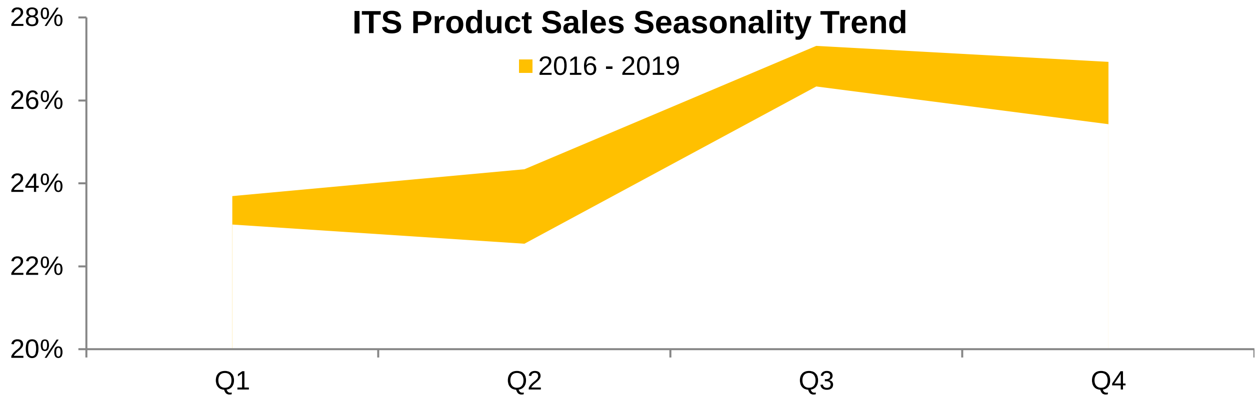
Tailwinds may include:

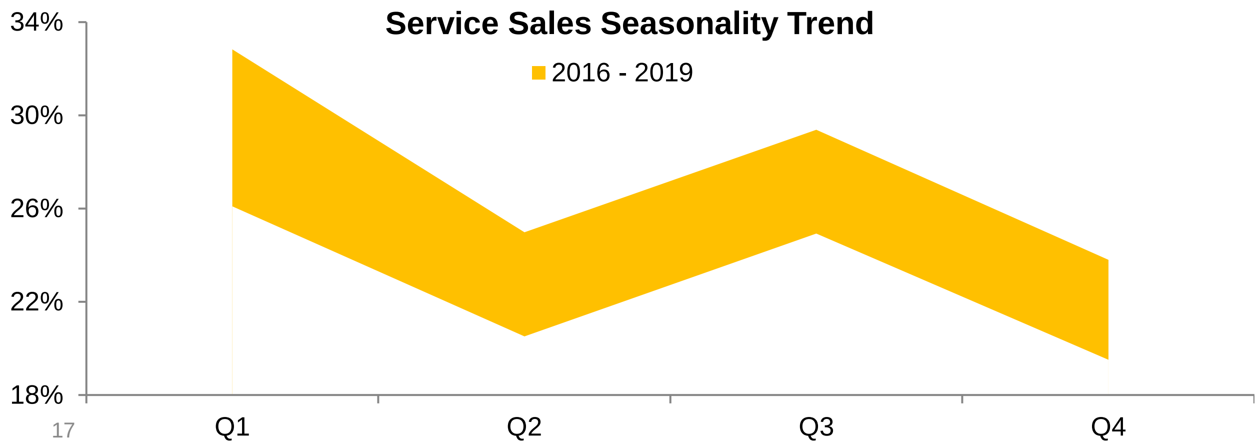
- **Infrastructure bill**
- **Stronger growth in areas that haven't fully recovered**

Q&A

Appendix

Historical Sales Seasonality





Q1 and Q2 sales seasonally low, Q3 sales followed by Q4 typically strongest; HLT projects can create lumpiness in the trend

North Sea/MENAC drive Q1/Q3 highs, Q2 seasonally low due to holidays & cold, Q4 low driven by MENAC hot summers; large service projects can create lumpiness in the trend

First Quarter 2022 GAAP vs Non-GAAP Reconciliation

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(US$ in millions except EPS) The summation of individual components may not equal the total due to rounding

		Less		
	GAAP	Restructuring Charges	Executive Transition & Board Search Charges	Adjusted
Sales	$130.9			$130.9
Operating Profit	$6.4	($2.7)	($3.8)	$12.9
Income Taxes	$1.8	($0.0)	$0.1	$1.7
Net Income	$3.2	($2.7)	($3.8)	$9.7
Effective tax rate	*35.9%*			*15.2%*
Diluted EPS	$0.05	($0.04)	($0.06)	$0.16

Restructuring Charges include:

- $2.7 million charge related to the recently announced changes to flatten and simplify the organizational structure

Executive Transition & Board Search Charges include:

- $3.8 million charge related to outside service fees and accelerated equity compensation expense

Reconciliation of Non-GAAP Measures

(US$ in millions)

Adjusted EBITDA

	Q1 2022	Q1 2021
Net Earnings	$3	$5
Net Financing Costs	$1	$2
Income Taxes	$2	$2
Depreciation & Amortization	$5	$6
Restructuring Charges	$3	$0
Executive Transition & Board Search Charges	$4	$0
Adjusted EBITDA	$18	$15

Free Cash Flow

	Q1 2022	Q1 2021
Cash From Operations	$ (5)	$ 9
Capital Expenditures	$ (3)	$ (2)
Other	$ -	$ -
Free Cash Flow	$ (8)	$ 7

Core Sales

	Consolidated			IT&S Segment		
	Q1 2022	Q1 2021	% Change	Q1 2022	Q1 2021	% Change
Net Sales	$131	$119	10%	$121	$112	8%
Fx Impact	$0	$0		$0	$0	
Core Sales	$131	$119	9%	$121	$112	8%

Incremental Margin

	Q1 2022	Q1 2021	% Change
Net Sales	$131	$119	
Fx Impact	$0	$0	
Net Sales adj for Fx	$131	$120	$11

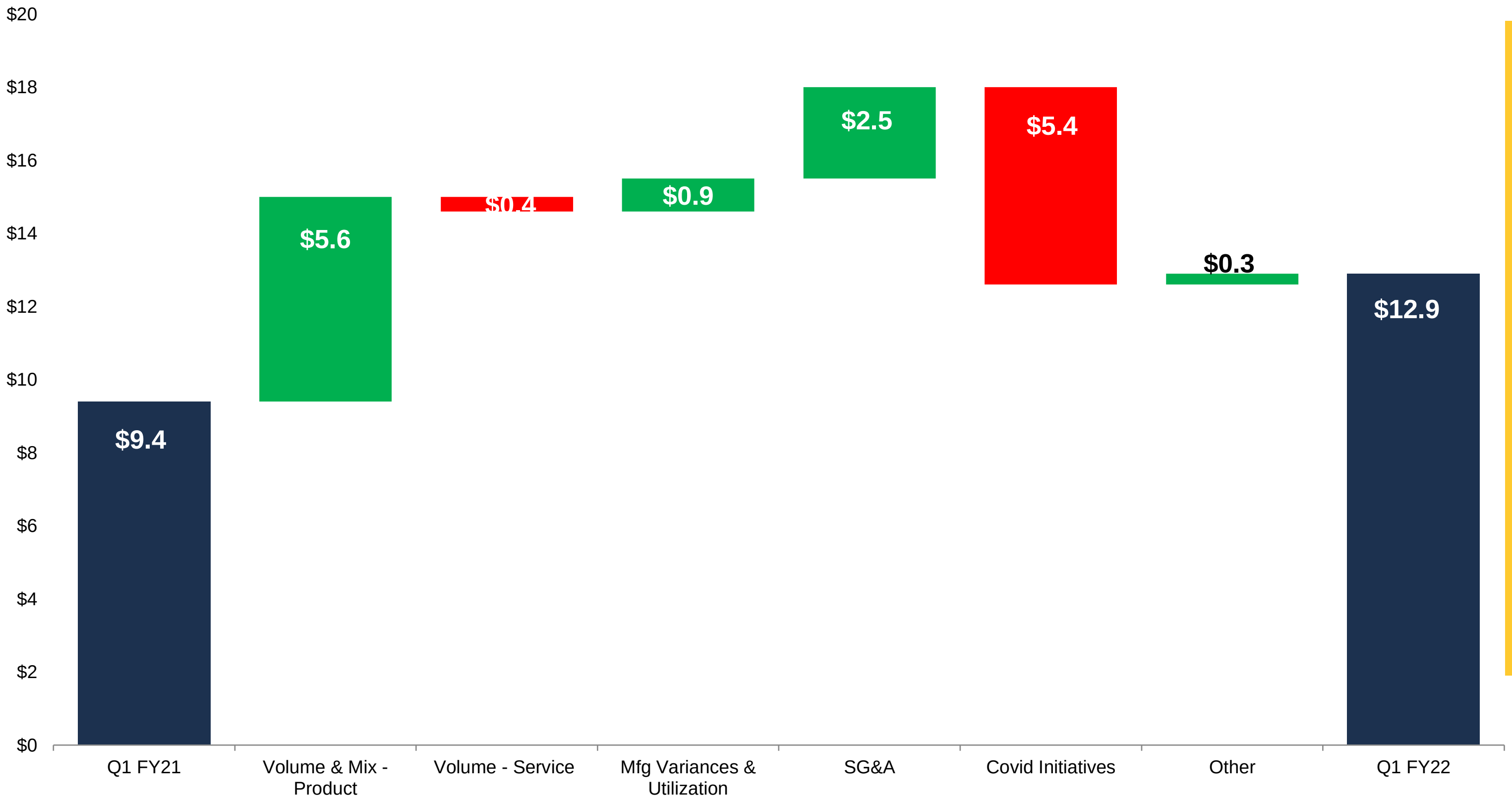
	Q1 2022	Q1 2021	% Change
Adjusted EBITDA	$18	$15	
Fx Impact	$0	$0	
Adjusted EBITDA adj for Fx	$18	$15	$3
Incremental EBITDA (a)			26%

(a) Change in Fx adjusted EBITDA divided by Change in Fx adjusted Net Sales

- The Enerpac Tool Group fiscal 2022 Q1 earnings release and full GAAP to non-GAAP reconciliation is available online at: https://www.enerpactoolgroup.com/investors/quarterly-results/
- The summation of individual components may not equal the total due to rounding

Adjusted Operating Profit Waterfall*

(US$ in millions)



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