



KeyBanc

Industrial, Automotive and Transportation Conference

June 2, 2016

The logo for Actuant, featuring the word "Actuant" in a bold, black, sans-serif font. A red horizontal line is positioned above the letter "A", extending to the left and then curving upwards to underline the letter.

THE DRIVE TO LEAD

ATU
LISTED
NYSE

Safe Harbor

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 Actuant’s Securities and Exchange Commission filings.

All estimates of future performance are as of March 16, 2016. Actuant’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 refer to the supplemental schedules included at the end of this presentation or the second quarter fiscal 2016 earnings press release statements on the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.



Recent Updates

Key Takeaways for Investors

1. Driving to \$300M EBITDA in 2018
2. Organic and acquisition growth leveraging long-term secular macro trends – focus on industrial, Hydratight and agriculture
3. Free Cash Flow > Net Income - capital allocation favors acquisitions, with opportunistic share repurchases

Simplifying Cost Structure – Sizable Leverage as Markets Trough and Begin to Recover



FourQuest “MENAC” Acquisition

- Completed March 30, 2016
- Tuck-in to Hydratight MRO-focused business
- Adds complementary capabilities in pipeline and process services including:
 - Chemical cleaning
 - Hydro-testing
 - Oil flushing
 - Air / steam blowing
 - Nitrogen / helium leak testing
- Cross-selling services to legacy customers
- Serves Middle East, North Africa and Caspian regions
- \$60M purchase price; \$25M calendar 2015 revenue



New CEO – Randy Baker

Why Actuant

- Great history and growth
- Respected by customers and investors
- World class products
- Solid profit and cash flow
- Diversified products, markets and customers

First 100 Days

Learning the company and spending time with:

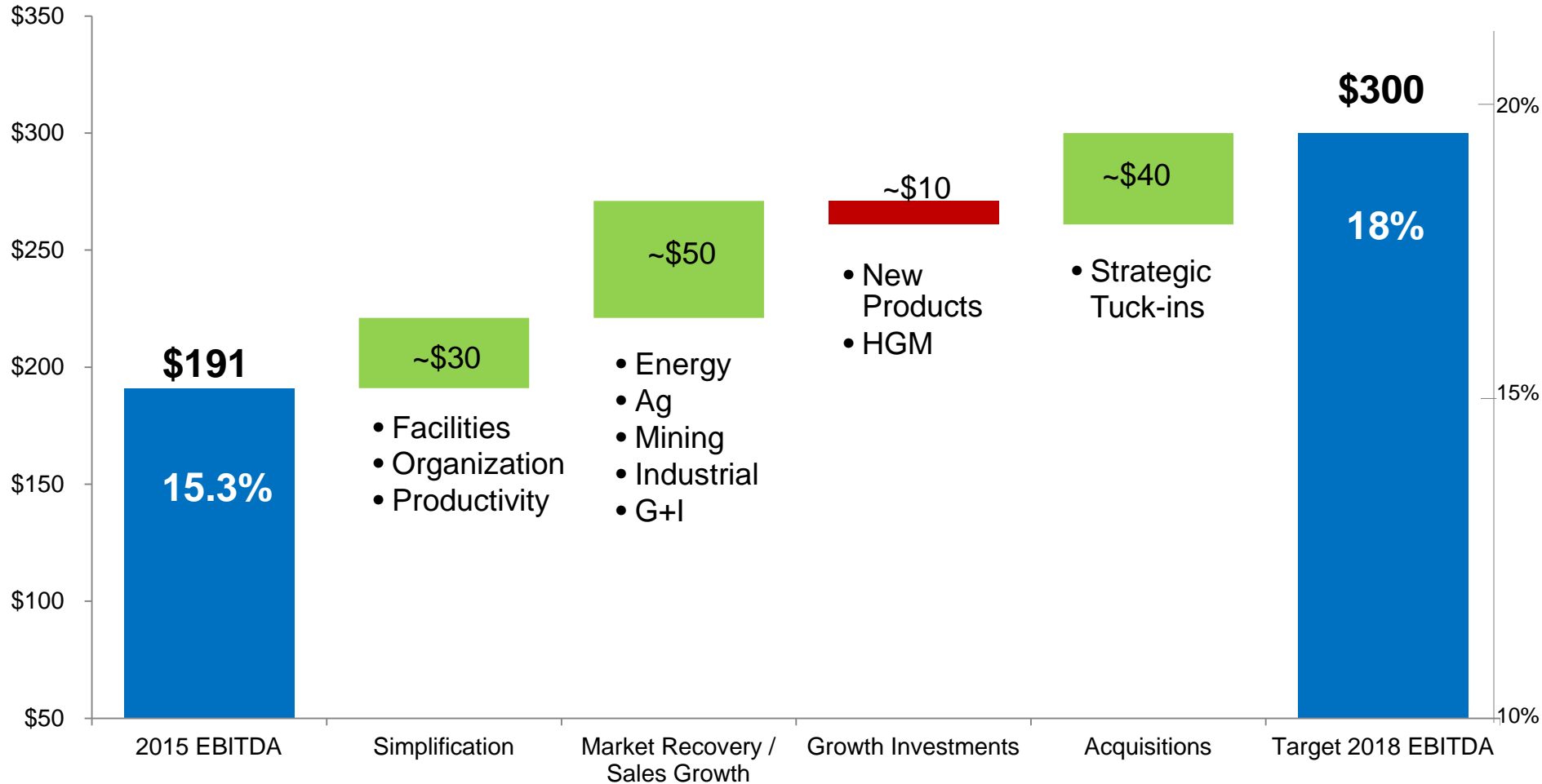
- Management team
- Employees
- Operations
- Marketing / sales
- Product planning
- Key customers

Driving to Deliver Superior Results for Stakeholders

Actuant 2018 Vision: \$300 Million EBITDA

EBITDA in millions

EBITDA %



Multi-Pronged Approach to Generate Shareholder Value



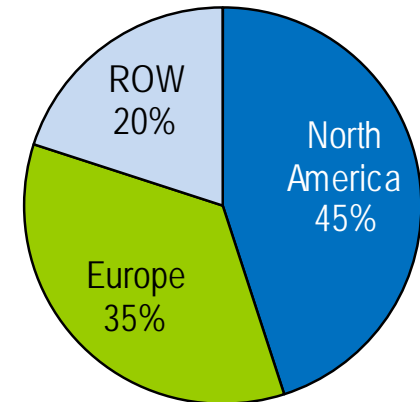
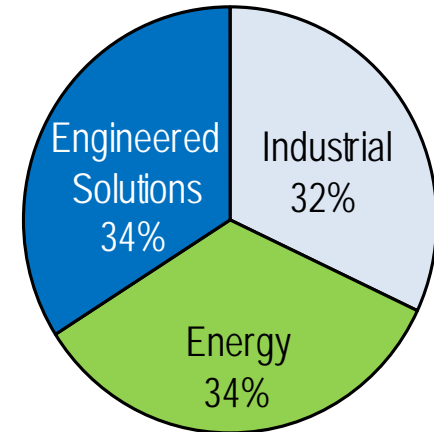
Background

Actuant Overview

Diversified Industrial Business Focused on Profitable Growth

- Founded in 1910
- Three segments – leading niche market positions
- Continuous improvement culture
- ROIC / cash flow focused
- Disciplined acquisition & integration strategy
- Significant diversification
 - End markets
 - Geographies
 - Customers

Revenue \$1.2 Billion



Industrial – High Force Hydraulics

US \$ in millions	2013	2014	2015
Sales	\$423	\$414	\$403
EBITDA	\$125.6	\$127.0	\$113.4
EBITDA %	29.7%	30.7%	28.2%

- Industrial Tools - industry leader
 - Lifting, cutting, positioning, tensioning and disassembly
 - Extensive global distribution
 - Maintenance & repair processes
 - Industrial, manufacturing, mining, rail, energy, agriculture, marine, aerospace, defense, power generation...

• Integrated Solutions

- Special Project / Infrastructure – lifting & positioning

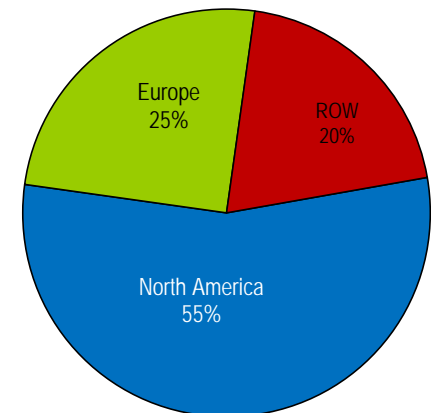
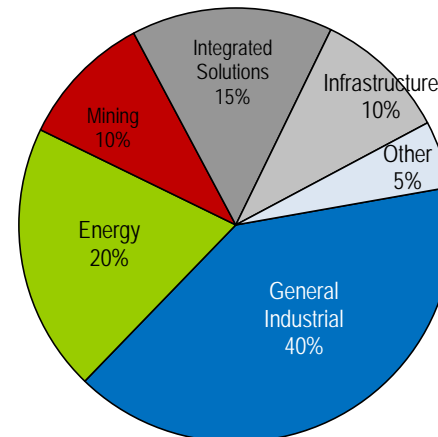
ENERPAC 

SIMPLEX
A COMPANY OF WILSON JONES & CO., LLC

LARZEP
HYDRAULIC

milwaukee
Cylinder

PRECISION-HAYES
INTERNATIONAL



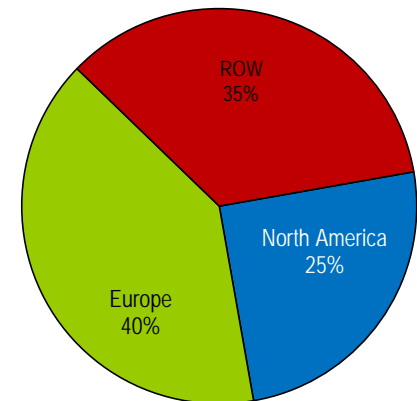
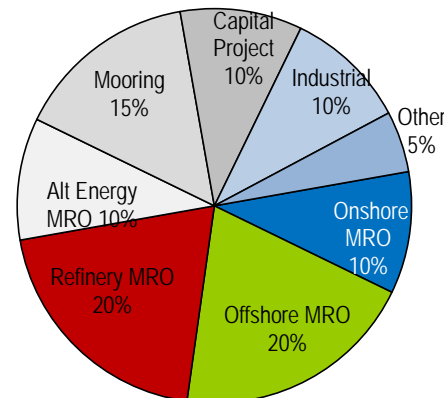
Energy – MRO and Critical Connections

US \$ in millions	2013	2014	2015
Sales	\$363	\$462	\$412
EBITDA	\$80.1	\$88.8	\$70.4
EBITDA %	22.1%	19.2%	17.1%

hydratight



- **Joint Integrity** - Maintenance and Repair – product, rental and technical manpower services for safety critical joints for global oil & gas, nuclear, petrochem and power generation
- **Critical Connections** - Highly engineered, custom designed and mission critical including dynamic umbilicals and synthetic rope & slings
- **Mooring Systems** – design, layout installation, rental, maintenance and inspection of offshore mooring solutions



Engineered Solutions – Motion Control

US \$ in millions	2013	2014	2015
Sales	\$494	\$524	\$435
EBITDA	\$57.0	\$58.5	\$36.0
EBITDA %	11.5%	11.2%	8.3%

POWER-PACKER



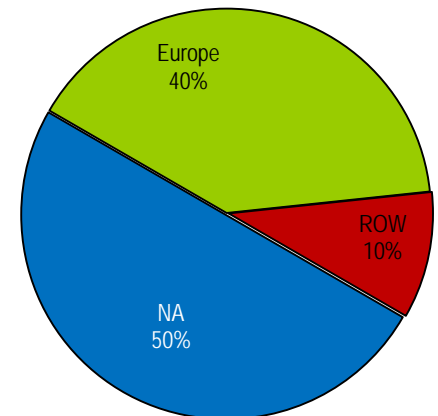
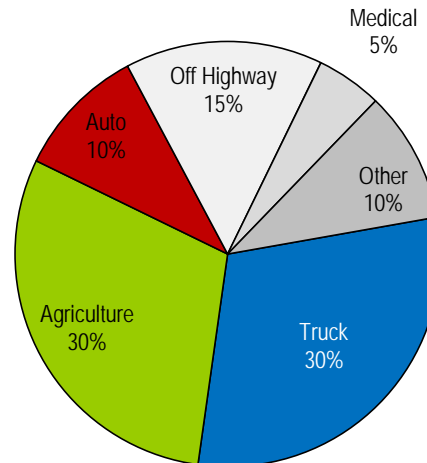
GITS MFG. CO.



maximatecc

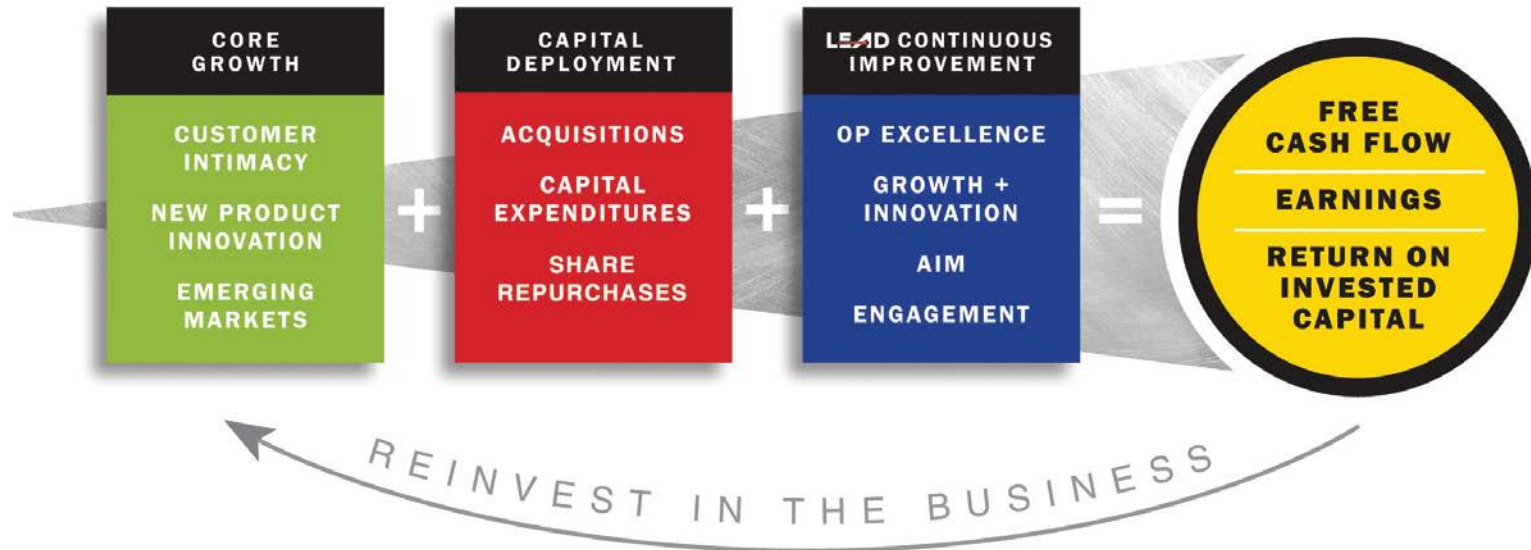


- Position & motion control
 - Europe / ROW HD truck cab-tilt
 - Automotive convertible top
 - Emission control air valves
- Power transmission – agriculture drivelines and flexible shafts
- Severe-duty vehicle instrumentation & displays



Executing Long Standing Business Model

Business Model



Long-Term Metrics

**1.5-2.0X
GDP**

**Deploy
FCF**

**+ 25-50 BPS
Base
Margins**

**>100% FCF
Conversion**

Actuant's Macro Growth Market Focus



Key Trends

Energy Demand

- Global power generation and oil & gas maintenance
- New installations
- Demanding technology & methods
- Rental and Services

Global Infrastructure

- Emerging market build-out
- Transportation
- Bridges, tunnels
- Rail
- Off-highway equipment (productivity & safety)

Food/Farm Productivity

- Population growth
- Affluence / protein diets
- Biofuels
- Agriculture equipment
- Efficient seeding technology

Natural Resources / Sustainability

- Alternative energy (wind)
- Mining / resources
- Emission reduction solutions
- Energy efficiency

Key Products / Technology

- Joint Integrity solutions
- Nuclear maintenance tools
- Pipeline connectors
- Rope / slings / moorings
- Umbilicals

- Integrated solutions – heavy lift technologies
- High force hydraulic tools
- Concrete tensioning
- Truck cab-tilt & latch
- HMI* displays

- HMI displays
- PTO drivelines
- Seeding systems
- Flexible shafts

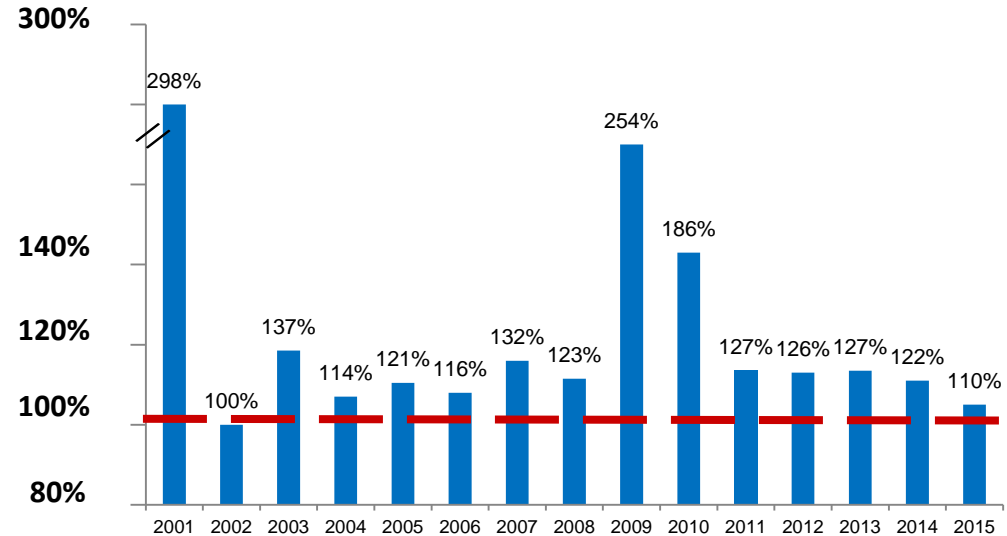
- EGR, turbocharger and other air flow valves
- Mining safety & productivity MRO solutions
- HMI* displays

* Human Machine Interface (HMI)

Cash Flow Focused

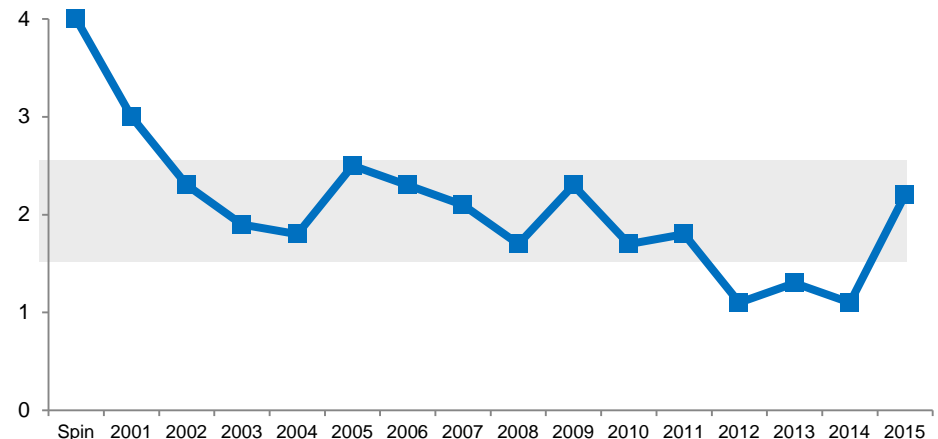
- Driver of incentive compensation – CMM
- Asset light business model
- Working capital focus
- Capital Allocation Priorities
 - Tuck-In Acquisitions (notably Industrial, Energy services, Agriculture)
 - Buy-Backs
 - Dividend (no change)

Free Cash Flow Conversion Trend



Leverage Ratio

Net Debt/EBITDA Leverage



Fiscal 2016 – Second Quarter Snapshot

- Core sales -8%, all segments down
 - Energy -8%, continued strong global maintenance growth more than offset by upstream cap ex reduction impact on Cortland and Viking activity
 - Industrial -14%, sequential deceleration in O&G, mining and broad general industrial market demand
 - ES -4%, Europe truck growth partially offset weak agriculture and off-highway markets/destocking
- Restructuring progress on track - \$8M YTD spend
- Larzep \$15 million tuck-in acquisition to Industrial MRO hydraulic tools in Europe.

(in millions, except per share amounts)

	<u>Q2 F'2016</u>
Sales	\$301
Core Growth	-8%
EBITDA	\$30
<i>Margin</i>	11.4%
Diluted EPS	\$0.21
<i>Y-O-Y change</i>	-25%
Free Cash Flow	\$6
Net Debt/EBITDA	2.5

Second quarter ending Feb 29, 2016, ex impairment and restructuring

Continued Challenging Macro Environment

Fiscal 2016 Guidance Summary

(as of March 16, 2016)

(US\$ in millions except EPS)

Full Year

	2015	2016E
Sales	\$1,249	\$1,135 - 1,150
EBITDA ⁽¹⁾	\$191	\$155 - 160
Diluted EPS ⁽¹⁾	\$1.65	\$1.25 - 1.35

Third Quarter

	2015	2016E
Sales	\$320	\$290 - 300
EBITDA	\$56	\$40 - 42
Diluted EPS	\$0.63	\$0.34 - 0.39

Assumptions:

- 3rd quarter core sales decline of 5-6%; Full year decline 4-6%
- Key FX rates – approximately \$1.10/1€ and \$1.40/1£
- Full year effective tax rate approximately 5%, lower in Q3
- Shares outstanding ~59 million
- Annual free cash flow ~\$100-105 million; >100% FCF conversion of net earnings
- Excludes restructuring and impairment costs, as well as any potential future acquisitions or share buy backs

(1) Fiscal 2016 and 2015 excludes impairment charges and 2016 excludes restructuring charges.

Challenging Operating Environment, Focusing on Cost Reduction

Current Environment / Core Sales Guidance

(as of March 16, 2016)

Core Growth	2015	2016 Previous Estimate	2016 Current Estimate
Industrial	(3)%	(3) – (6)%	(10) – (12)%
Energy	(3)%	1 – (3)%	1 – (1)%
Engineered Solutions	(7)%	(1) - (4)%	(4) - (6)%
Consolidated	(5)%	(1) – (4)%	(4) – (6)%

- Industrial demand expected to remain weak across most end markets, not related to distributor destocking
- Energy maintenance revenue up year-over-year, but weak upstream oil & gas capital spending impacts Viking and Cortland
- Customer destocking in off-highway, including agriculture, forestry, material handling and construction equipment

Industrial Recession Headwinds



Appendix

Free Cash Flow / Cash Flow Conversion

(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total EBITDA	\$87	\$84	\$90	\$106	\$145	\$181	\$228	\$260	\$171	\$185	\$244	\$283	\$267	\$246	\$191
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)	(26)	(26)	(21)	(21)	(25)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)	(23)	(55)	(44)	(53)	(28)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)	(23)	(23)	(23)	(40)	(23)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14	(14)	17	26	32	(2)
Free Cash Flow	\$50	\$25	\$47	\$56	\$85	\$102	\$148	\$151	\$150	\$145	\$158	\$196	\$205	\$164	\$113
Net Earnings (1)	\$17	\$25	\$34	\$49	\$70	\$88	\$112	\$123	\$59	\$78	\$124	\$155	\$162	\$134	\$103
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%	127%	126%	127%	122%	110%

(1) Net earnings excluding special items - excludes restructuring and impairment charges, discontinued operations, debt extinguishment charges and non-recurring income tax gains.