

Q2 2025 EARNINGS PRESENTATION

JULY 30, 2025

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains, and management may make on our call today, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "trends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. These statements include, but are not limited to, statements related to expectations regarding the performance of the Company's business and financial results, our ability to meet our mid-term targets, market trends, data center activity, our expected net leverage, our expected impacts of tariff rates and ability to mitigate such impacts, our capital allocation optionality, our data center and personal mobility portfolio and pipeline, our growth opportunities, our intention to reduce our gross debt, the return potential of our investments and our outlook for the third quarter and full year 2025 (including the related assumptions). Such forward-looking statements are subject to various risks and uncertainties, including, among others, economic, political and other risks associated with both our U.S. and our international operations, risks inherent to the manufacturing industry, macroeconomic factors beyond the Company's control (including material and logistics availability, tariffs, inflation, supply chain and labor challenges and end-market recovery), risks related to catastrophic events, continued operation of our manufacturing facilities, including as a result of cybersecurity attacks, our ability to forecast and meet demand, and market acceptance of new products. Additional factors that could cause the Company's results to differ materially from those described in the forward-looking statements can be found under the section entitled "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2024, filed with the Securities and Exchange Commission ("SEC"), as supplemented by the risks and uncertainties set forth in the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2025, as such factors may be further updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in the Company's filings with the SEC. The Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

NON-GAAP FINANCIAL INFORMATION

This presentation includes certain non-GAAP financial measures, which management believes are useful to investors. Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation and our earnings release filed with the SEC and posted on our website at investors.gates.com for a reconciliation of historical non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP.

Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures, including expected Core Revenue Growth, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings per Share, and Free Cash Flow conversion for 2025. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

ROUNDING ADJUSTMENTS

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated, may not be the arithmetic aggregation of the percentages that precede them.

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Q2 2025 KEY HIGHLIGHTS & METRICS

- **Core revenue performance consistent with guidance**
  - Industrial and Automotive Replacement channels delivered positive core growth YoY
  - Personal Mobility increased double-digits; Off-Highway flat
- **Solid operating results**
  - Adjusted EBITDA margin in line with expectation
  - Gross margin continues to improve
- **Balance sheet strengthening**
  - Net leverage declined to 2.2x
  - Generated increased free cash flow vs. prior year period
- **Increasing 2025 adjusted EBITDA and adjusted EPS guidance**
  - Raising adjusted EBITDA midpoint by $15 million and adjusted EPS by $0.04
  - Maintaining core revenue growth outlook

SALES AND PROFITABILITY CONSISTENT WITH EXPECTATIONS

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Q2 2025 – FINANCIAL PERFORMANCE

$884M

Net Sales

(0.6%) Core Sales Decline YoY

- Underlying demand in line with expectations
- Replacement channels grew

$199M

Adjusted EBITDA

22.5% Adjusted EBITDA margin

- Gross margin was 40.8%; 5th consecutive quarter above 40%
- Continue to progress towards mid-term targets

$0.39

Adjusted Earnings per Share

8.3% Growth YoY

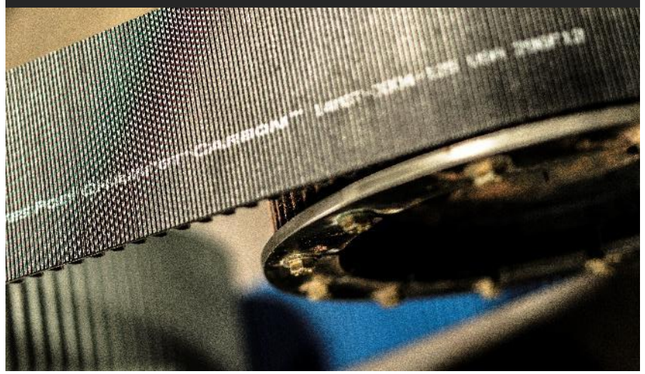
- Excluding non-recurring gain in year-ago period, operating performance was $0.04 favorable YoY
- Lower interest expense and share count contributed $0.02

DELIVERED SOLID EARNINGS GROWTH IN SUBDUED DEMAND BACKDROP

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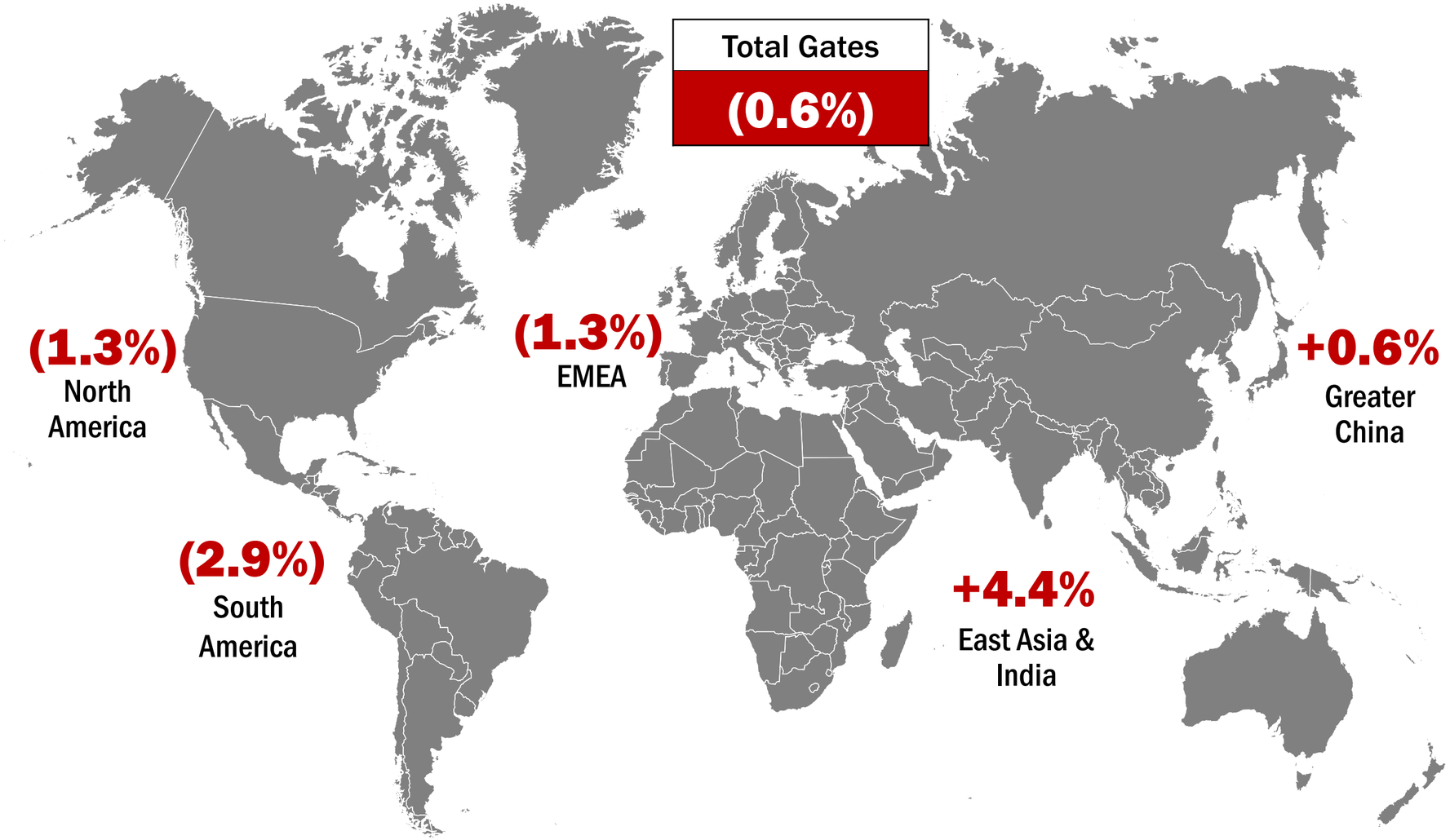
Notes: Adjusted Earnings Per Share: Adjusted Net Income per diluted share

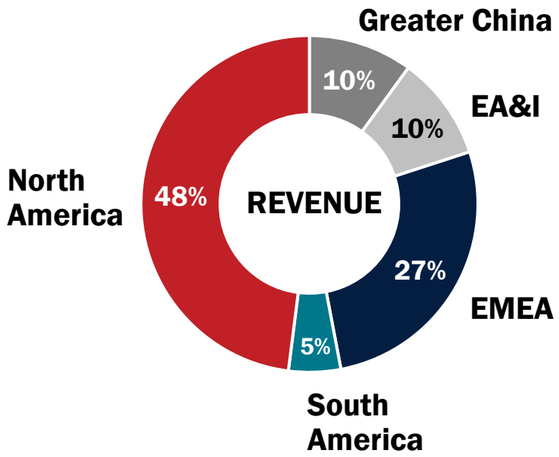
Q2 2025 – SEGMENT RESULTS

	PERFORMANCE		HIGHLIGHTS
POWER TRANSMISSION 	**NET SALES**	**$550M** *0.6% Core YoY*	▪ High single-digit growth in Industrial OEM sales, largely offset by Automotive OEM decrease ▪ High teens growth in Personal Mobility; strong conversion of design wins ▪ Replacement channels stable; slight growth YoY
	ADJUSTED EBITDA	**$123M**	
	ADJUSTED EBITDA MARGIN	**22.3%** *(50) bps YoY*	
FLUID POWER 	**NET SALES**	**$334M** *(2.5%) Core YoY*	▪ Soft Construction demand as well as incremental weakness in On Highway; partially offset by core growth in Agriculture – first positive read since Q4 2022 ▪ Industrial OEM channel demand declined low double-digits; low single-digit growth in replacement channels ▪ Beginning to see a meaningful acceleration in data center activity
	ADJUSTED EBITDA	**$76M**	
	ADJUSTED EBITDA MARGIN	**22.9%** *10 bps YoY*	

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Q2 2025 – REGIONAL CORE REVENUE PERFORMANCE



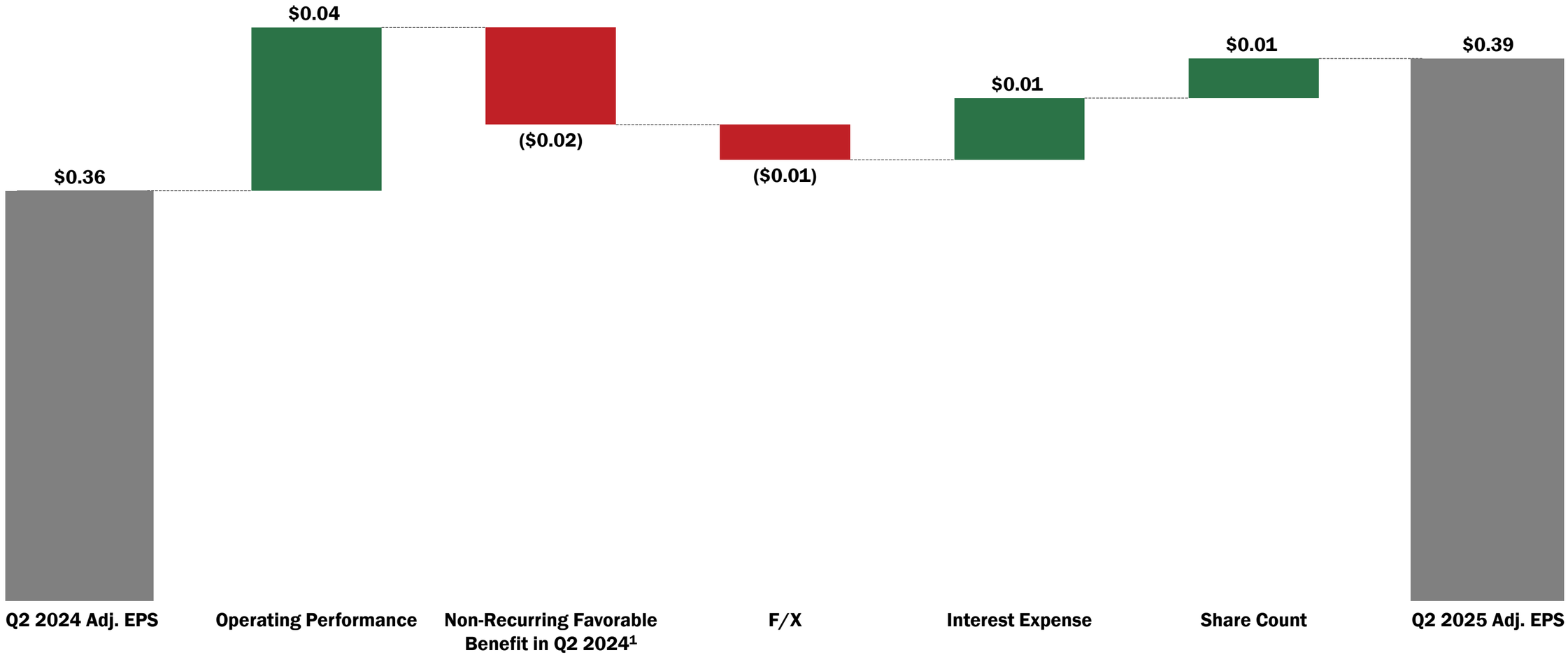


- **NA: Growth in Auto Replacement, Personal Mobility, and Diversified Industrial offset by weaker On-Highway**
- **EMEA: Auto Replacement and Personal Mobility expansion offset by continued industrial weakness**
- **EA&I: Growth across most end markets**

END MARKETS REMAIN MIXED; ASIA SUSTAINING GROWTH AND NORTH AMERICA TRENDS IMPROVING

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Q2 2025 ADJUSTED EPS WALK



YOY GROWTH SUPPORTED BY SOLID UNDERLYING OPERATING EXECUTION AND PRUDENT CAPITAL ALLOCATION

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[1]Gain on real estate transaction recognized in Q2 2024

Q2 2025 – CAPITAL EFFICIENCY & CASH FLOW

$74M
Free Cash Flow

Solid Free Cash Flow generation

- Improved 11% YoY; 73% free cash flow conversion for quarter
- LTM free cash flow conversion increased to 80%

2.2x
Net Leverage

Improved YoY and sequentially

- Cash balance exceeded $700 million
- Expect net leverage ratio to be <2x at year-end 2025

21.3%
ROIC

Moderated YoY

- Higher trade working capital; impacted by f/x
- Increased investments in projects with high-return potential

BALANCE SHEET ON TRAJECTORY TOWARDS MID-TERM TARGET; CAPITAL ALLOCATION OPTIONALITY CONTINUES TO BUILD

Notes: Free Cash Flow: Net cash provided by (used in) operating activities less capital expenditures
Free Cash Flow Conversion: LTM Free Cash Flow (Net Cash Provided by Operations minus capital expenditures) expressed as a percentage of LTM Adjusted Net Income
Net Leverage: Net Debt (defined as the principal amount of our debt less the carrying amount of cash and cash equivalents) divided by LTM Adjusted EBITDA
ROIC: Tax-effected LTM Adjusted EBIT divided by total assets minus cash, accounts payable, income tax-related assets and intangibles related to 2014 acquisition of Gates

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INCREASING 2025 GUIDANCE

	PRIOR 2025	CURRENT 2025	B/W (Midpoint)
CORE REVENUE GROWTH	(0.5%) to +3.5%	0.5% to 2.5%	No Change
ADJUSTED EBITDA	$735M – $795M	$765M – $795M	+$15M
ADJUSTED EPS	$1.36 – $1.52	$1.44 – $1.52	+$0.04
CAPITAL EXPENDITURES	~$120M	~$120M	No Change
FREE CASH FLOW CONVERSION	90%+	90%+	No Change

Q3 COMMENTARY

- **Revenues: $845M - $885M**
  - 3% core growth at the midpoint; f/x slightly positive YoY
- **Adjusted EBITDA Margin:**
  - +50 bps to +90 bps YoY

CORE REVENUE GROWTH ANTICIPATED TO IMPROVE IN 2H

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DATA CENTERS – EXPANDING PORTFOLIO AND PIPELINE

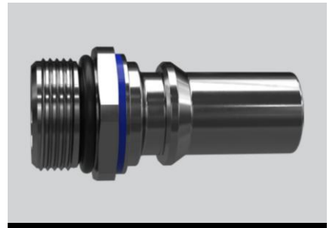
FULL SOLUTIONS PORTFOLIO



DATA MASTER COOLING HOSE



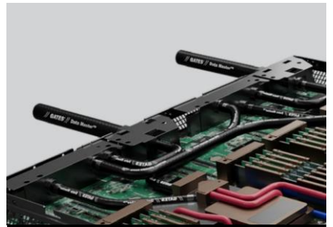
DATA MASTER MEGAFLEX



UNIVERSAL QUICK DISCONNECT (UQD)



BELTS FOR AIR-DRIVE SYSTEMS



THERMAL FORMED TUBING



THERMALPRO™ ELECTRIC WATER PUMP

- **Application-specific data center portfolio to support air-cooled and current liquid-cooled market**
- **Continued NPI to support additional cooling load**
- **Opportunity pipeline expanding nicely on a sequential basis**

Hyperscalers (Data Center Operators)	Notable Wins/Opportunities
Meta, Google, aws, Microsoft	Data Master Hose assembly with major hyperscaler under negotiation for 2026 supply

Server Manufacturers	Notable Wins/Opportunities
DELL, IBM, Lenovo	Design win with an Asian-based electronics supplier supporting a U.S.-based server manufacturer; multi-million dollar revenue potential in 2026

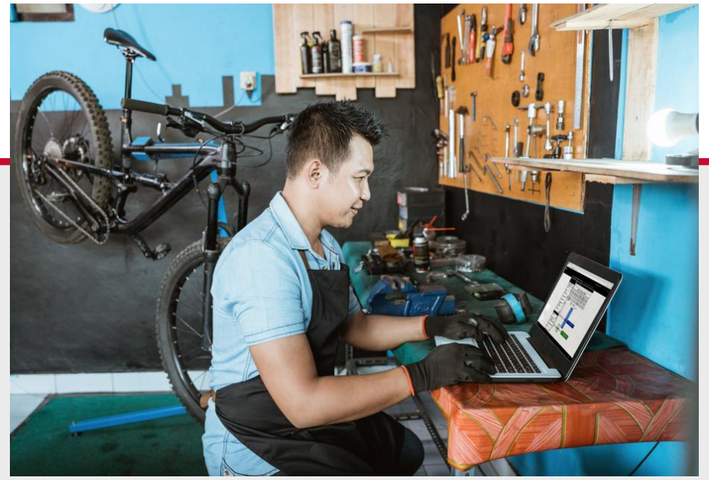
Service Contractors & Engineering Firms	Notable Wins/Opportunities
JACOBS, Turner Construction Company, SKANSKA	Won new award to supply Data Master™ MegaFlex for data center campus build out in Texas

Critical Digital Infrastructure Providers
nVent, CoolIT systems, VERTIV, COOLER MASTER

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PERSONAL MOBILITY – PENETRATION STORY UNFOLDING



INVESTING IN CAPABILITIES

Incremental R&D investment and scaling up commercial capabilities globally



INNOVATION DRIVES ADOPTION

Innovation driving market access to a new range of applications



ATTAINING GROWTH

Pipeline of business opportunities exceeds $300 million

GATES BELT DRIVE SYSTEMS ARE REDEFINING PERSONAL MOBILITY TRANSPORTATION

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SUMMARY THOUGHTS

- **Managing business well despite uncertainty**
  - Positioning to drive accelerated core revenue growth over the mid-term
  - Highly focused on driving further gross margin improvement
- **We have multiple secular growth opportunities available over the near- and medium-term**
  - Significant pipeline of open opportunities and design wins expected to fuel meaningful growth in Personal Mobility
  - Step-function growth inflection potential in data center as liquid cooling applications expand
  - New product development in belts and sprockets anticipated to support industrial chain to belt conversions
- **Solid balance sheet with capital allocation optionality**
  - $100+ million remaining under share repurchase authorization
  - Intend to reduce gross debt in near-term

ENTERPRISE IS POISED TO DRIVE ATTRACTIVE CORE REVENUE GROWTH

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APPENDIX

Q2 2025 ADJUSTED EPS – SUMMARY WALK

Q2 2024	**$0.36**	
OPERATING PERFORMANCE	0.04	Performance supported by gross margin expansion
F/X	(0.01)	Transactional headwinds compared to prior year period
NET INTEREST EXPENSE	0.01	Lower interest rate
LOWER SHARE COUNT	0.01	Share repurchases executed over the last year
OTHER ITEMS	(0.02)	Non-recurring gain on real estate transaction recognized in Q2 2024
Q2 2025	**$0.39**	

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RECONCILIATIONS – CORE SALES GROWTH

(USD in millions)	Power Transmission	Fluid Power	Q2 2025
Reconciliation of Core Sales Growth			
Net sales for the quarter ended June 28, 2025	**$ 550.1**	**$ 333.6**	**$ 883.7**
Impact on net sales of movements in currency rates	(5.2)	1.5	(3.7)
Core sales for the quarter ended June 28, 2025	**$ 544.9**	**$ 335.1**	**$ 880.0**
Net sales for the quarter ended June 29, 2024	541.9	343.6	885.5
Increase (decrease) in net sales	8.2	(10.0)	(1.8)
Increase (decrease) in net sales on a core basis (core sales)	**$ 3.0**	**$ (8.5)**	**$ (5.5)**
Net sales growth (decline)	**1.5%**	**(2.9%)**	**(0.2%)**
Core sales growth (decline)	**0.6%**	**(2.5%)**	**(0.6%)**

(USD in millions)	Power Transmission	Fluid Power	YTD 2025
YTD Reconciliation of Core Sales Growth			
Net sales for the six months ended June 28, 2025	**$ 1,077.3**	**$ 654.0**	**$ 1,731.3**
Impact on net sales of movements in currency rates	11.7	11.2	22.9
Core sales for the six months ended June 28, 2025	**$ 1,089.0**	**$ 665.2**	**$ 1,754.2**
Net sales for the six months ended June 29, 2024	1,074.7	673.4	1,748.1
Decrease in net sales	2.6	(19.4)	(16.8)
Decrease in net sales on a core basis (core sales)	**$ 14.3**	**$ (8.2)**	**$ 6.1**
Net sales growth (decline)	**0.2%**	**(2.9%)**	**(1.0%)**
Core sales growth (decline)	**1.3%**	**(1.2%)**	**0.3%**

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RECONCILIATIONS – ADJUSTED EBITDA & NET LEVERAGE

(USD in millions)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	LTM Q2 2025	LTM Q2 2024
Reconciliation to Adjusted EBITDA						
Net Income from Continuing Operations	**$ 63.4**	**$ 77.9**	**$ 132.0**	**$ 124.1**	**$ 228.4**	**$ 278.9**
Adjusted for:						
Income tax expense	16.8	12.3	42.0	46.8	102.7	50.2
Interest expense	28.8	49.1	58.4	86.6	127.6	164.5
Other expenses (income), excluding foreign currency transaction gain or loss [(1)]	5.8	(3.1)	7.1	(4.6)	(6.1)	5.5
Loss on deconsolidation of Russian subsidiary [(2)]	-	-	-	-	12.7	-
Depreciation and amortization	53.3	54.5	105.5	109.1	213.3	218.1
Transaction-related expenses	-	1.2	0.4	1.6	2.1	3.0
Asset impairments	0.2	-	0.8	-	0.8	0.1
Restructuring expenses	13.0	1.6	14.6	2.8	18.3	6.7
Share-based compensation expense	9.6	5.2	15.7	13.8	30.7	24.9
Inventory write-offs and adjustments [(3)] (included in cost of sales)	4.0	3.4	3.0	17.3	8.0	20.6
Restructuring-related expenses (included in cost of sales)	1.2	-	2.4	-	4.2	(0.1)
Restructuring-related expenses (included in SG&A)	3.1	-	4.6	0.1	7.4	0.2
Credit loss (gain) related to customer bankruptcy (included in SG&A)	-	-	-	0.1	(0.2)	0.1
Cybersecurity incident expenses	-	-	-	-	-	0.1
Other items not directly related to current operations	-	0.1	-	0.1	(0.1)	0.2
Adjusted EBITDA	**$ 199.2**	**$ 202.2**	**$ 386.5**	**$ 397.8**	**$ 749.8**	**$ 773.0**
Adjusted EBITDA margin						
Net Sales	$ 883.7	$ 885.5	$ 1,731.3	$ 1,748.1	$ 3,391.4	$ 3,484.3
Adjusted EBITDA	$ 199.2	$ 202.2	$ 386.5	$ 397.8	$ 749.8	$ 773.0
Adjusted EBITDA margin	**22.5%**	**22.8%**	**22.3%**	**22.8%**	**22.1%**	**22.2%**
Reconciliation to Net Leverage						
Total principal amount of debt					$ 2,354.2	$ 2,364.9
Less: Cash and cash equivalents					(719.7)	(579.7)
Net Debt					**$ 1,634.5**	**$ 1,785.2**
Net Leverage (Net Debt divided by LTM Adjusted EBITDA)					**2.2 x**	**2.3 x**
Net Leverage Change YoY					**(.1 x)**	

(1) Other expenses (income) excludes foreign currency transaction losses of $1.0 million, $2.1 million $1.9 million and during the three, six and twelve months ended June 28, 2025, and foreign currency translation gains of $2.9 million, $6.3 million and $3.9 million during the three, six months ended June 29, 2024.

(2) In July 2022, Gates suspended our operations in Russia. In September 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.

(3) Inventory write-offs and adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis. During the three, six and twelve months ended June 28, 2025, inventory write-offs and adjustments included $4.0 million, $3.0 million and $8.0 million, respectively, for the reversal of the adjustment to remeasure certain inventories on a LIFO basis.

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RECONCILIATIONS – SEGMENT ADJUSTED EBITDA

(USD in millions)

Reconciliation to Segment Adjusted EBITDA Margin

	Q2 2025	Q2 2024	Change	YTD 2025	YTD 2024	Change
Power Transmission Net Sales	$ 550.1	$ 541.9	$ 8.2	$ 1,077.3	$ 1,074.7	$ 2.6
Power Transmission Adjusted EBITDA	$ 122.8	$ 123.8	$ (1.0)	$ 239.5	$ 242.8	$ (3.3)
Adjusted EBITDA Margin	22.3%	22.8%	-50 bps	22.2%	22.6%	-40 bps
Fluid Power Net Sales	$ 333.6	$ 343.6	$ (10.0)	$ 654.0	$ 673.4	$ (19.4)
Fluid Power Adjusted EBITDA	$ 76.4	$ 78.4	$ (2.0)	$ 147.0	$ 155.0	$ (8.0)
Adjusted EBITDA Margin	22.9%	22.8%	10 bps	22.5%	23.0%	-50 bps
Total Net Sales	$ 883.7	$ 885.5	$ (1.8)	$ 1,731.3	$ 1,748.1	$ (16.8)
Total Adjusted EBITDA	$ 199.2	$ 202.2	$ (3.0)	$ 386.5	$ 397.8	$ (11.3)
Adjusted EBITDA Margin	22.5%	22.8%	-30 bps	22.3%	22.8%	-50 bps
Net Income From Continuing Operations	$ 63.4	$ 77.9	$ (14.5)	$ 132.0	$ 124.1	$ 7.9
Net Income From Continuing Operations Margin	7.2%	8.8%	-160 bps	7.6%	7.1%	50 bps

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RECONCILIATIONS – ADJUSTED NET INCOME

(USD in millions, except share numbers and per share amounts)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	LTM Q2 2025	LTM Q2 2024
Reconciliation to Adjusted Net Income						
Net Income Attributable to Shareholders	**$ 56.5**	**$ 70.7**	**$ 118.5**	**$ 110.7**	**$ 202.7**	**$ 252.3**
Adjusted for:						
Loss on the disposal of discontinued operations	0.3	0.3	0.6	0.4	0.8	0.6
Loss on deconsolidation of Russian subsidiary [1]	-	-	-	-	12.7	-
Amortization of intangible assets arising from the 2014 acquisition of Gates	29.0	28.9	57.3	58.0	114.8	116.0
Transaction-related expenses	-	1.2	0.4	1.6	2.1	3.0
Asset impairments	0.2	-	0.8	-	0.8	0.1
Restructuring expenses	13.0	1.6	14.6	2.8	18.3	6.7
Restructuring related expenses (included in cost of sales)	1.2	-	2.4	-	4.2	(0.1)
Restructuring related expenses (included in SG&A)	3.1	-	4.6	0.1	7.4	0.2
Share-based compensation expense	9.6	5.2	15.7	13.8	30.7	24.9
Inventory write-offs and adjustments [2] (included in cost of sales)	4.0	3.4	3.0	17.3	8.0	20.6
Adjustments relating to post-retirement benefits	0.5	(0.6)	0.9	(1.3)	(0.4)	(2.8)
Financing and other FX related (gains) losses	7.8	(3.0)	11.0	(1.5)	5.5	17.7
Credit loss (gain) related to customer bankruptcy (included in SG&A)	-	-	-	0.1	(0.2)	0.1
Cybersecurity incident expenses	-	-	-	-	-	0.1
Loss on extinguishment of debt [3]	-	14.8	-	14.8	-	14.8
Discrete Tax Items [4]	(7.2)	(12.2)	(7.1)	(0.5)	16.8	(17.6)
Other adjustments	(1.5)	(1.7)	(2.8)	(3.5)	(6.3)	(5.6)
Estimated tax effect of the above adjustments	(15.4)	(13.1)	(24.9)	(25.5)	(42.5)	(49.2)
Adjusted Net Income	**$ 101.1**	**$ 95.5**	**$ 195.0**	**$ 187.3**	**$ 375.4**	**$ 381.8**
Diluted weighted average number of shares outstanding	260,469,532	266,812,510	261,005,482	266,951,237		
GAAP Net Income per diluted share	**$ 0.22**	**$ 0.26**	**$ 0.45**	**$ 0.41**		
Adjusted Net Income per diluted share	**$ 0.39**	**$ 0.36**	**$ 0.75**	**$ 0.70**		
YoY Adjusted Net Income per diluted share	**8.3%**		**7.1%**			

Note: Referenced footnotes continue on the following page

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RECONCILIATIONS – ADJUSTED NET INCOME (CONT.)

(1) In July 2022, Gates suspended our operations in Russia. During the three months ended September 28, 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.

(2) Inventory write-offs and adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis. During the three, six and twelve months ended June 28, 2025, inventory write-offs and adjustments included $4.0 million, $3.0 million and $8.0 million, respectively, for the reversal of the adjustment to remeasure certain inventories on a LIFO basis.

(3) On June 4, 2024, Gates extinguished the 2021 Dollar Term Loans and the asset-backed credit facility in connection with our debt refinancing. As a result, we accelerated $14.8 million in deferred issuance costs during the year ended December 28, 2024.

(4) For the three months ended June 28, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $7.2 million, of which $3.2 million related to prior year adjustments primarily from various foreign jurisdictions in which returns were filed, $2.6 million related to excess tax benefits on stock option exercises, and $2.0 million related to changes in the realizability of certain deferred tax assets, offset by $0.6 million of other net discrete tax expenses.

For the six months ended June 28, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $7.1 million, of which $8.6 million related to excess tax benefits on stock option exercises, $3.2 million related to prior year adjustments primarily from various foreign jurisdictions in which returns were filed and $0.6 million other discrete tax benefits, offset by $3.2 million related to changes in the realizability of certain deferred tax assets and $2.1 million related to net unrecognized tax benefits.

For the twelve months ended June 28, 2025, the effective tax rate was driven primarily by net discrete tax expenses of $16.8 million, of which $25.8 million relates to changes in tax rates and law changes, primarily due to the corporate tax rate change in Luxembourg, and the dividend withholding tax rate change in Turkey, offset by discrete benefits of $8.6 million related to excess tax benefits on stock option exercises, and $0.4 million related to other net discrete tax benefits.

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RECONCILIATIONS – FREE CASH FLOW & FREE CASH FLOW CONVERSION

(USD in millions)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	LTM Q2 2025	LTM Q2 2024
Reconciliation of Free Cash Flow						
Net Cash Provided By Operating Activities	$ 103.0	$ 93.8	$ 110.3	$ 72.8	$ 417.1	$ 369.9
Capital Expenditures [1]	(29.4)	(27.2)	(55.6)	(45.3)	(117.0)	(86.9)
Free Cash Flow	**$ 73.6**	**$ 66.6**	**$ 54.7**	**$ 27.5**	**$ 300.1**	**$ 283.0**
YoY Free Cash Flow Change	**11%**					

(USD in millions)	Q2 2025	Q2 2024	YTD 2025	YTD 2024	LTM Q2 2025	LTM Q2 2024
Reconciliation of Free Cash Flow Conversion						
Free Cash Flow	$ 73.6	$ 66.6	$ 54.7	$ 27.5	$ 300.1	$ 283.0
Adjusted Net Income	$ 101.1	$ 95.5	$ 195.0	$ 187.3	$ 375.4	$ 381.8
Free Cash Flow Conversion	**72.8%**	**69.7%**	**28.1%**	**14.7%**	**79.9%**	**74.1%**

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(1) Capital expenditures represent purchases of property, plant and equipment and purchases of intangible assets.

RECONCILIATIONS – RETURN ON INVESTED CAPITAL (ROIC)

(USD in millions)	LTM Q2 2025	LTM Q2 2024
Return On Invested Capital (ROIC)		
LTM Adjusted EBITDA	**$ 749.8**	**$ 773.0**
LTM Total depreciation and amortization	(213.3)	(218.1)
LTM Amortization of intangible assets arising from the 2014 acquisition of Gates	114.8	116.0
LTM Adjusted EBIT	**651.3**	**670.9**
Notional tax at 25%	(162.8)	(167.7)
LTM Tax-effected Adjusted EBIT	**$ 488.5**	**$ 503.2**
Total Assets	$ 7,217.8	$ 7,034.8
Adjusted for:		
Cash	(719.7)	(579.7)
Taxes receivable	(59.7)	(73.2)
Deferred tax assets	(628.6)	(608.1)
Prepaid taxes	(15.5)	(14.0)
Accounts payable	(411.3)	(441.3)
Intangibles arising from the acquisition of Gates	(3,089.1)	(3,139.6)
Invested Capital	**$ 2,293.9**	**$ 2,178.9**
Return On Invested Capital	**21.3%**	**23.1%**

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