



**Q4 2025
EARNINGS PRESENTATION**

FEBRUARY 12, 2026





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 expand our margins and deliver revenue growth, the impact of our capital investments and restructuring initiatives (including ERP and footprint optimization plan), expectations regarding 2026 market growth, statements regarding 2026 market growth, statements regarding our order rates, the impact of the personal mobility and data center markets, the potential for inorganic growth, the potential for a demand inflection, our ability to allocate capital prudently, and our outlook for the first quarter and full year 2026 (including the related assumptions). Such forward-looking statements are subject to various risks and uncertainties, including, among others, U.S. policies, actions or legislation, economic, political, and other risks associated with international operations, risks inherent to the manufacturing industry, macroeconomic factors beyond the Company's control (including material and logistics availability, inflation, supply chain and labor challenges and end-market recovery), risks related to our relationships with, or the financial condition of, key channel partners, continued operation of our manufacturing facilities, supply chains, distribution systems, and information technology systems, including as a result of cybersecurity attacks or catastrophic events, 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 31, 2025, filed with the Securities and Exchange Commission ("SEC"), as such factors may be updated from time to time in the Company's periodic filings with the SEC, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which is expected to be filed with the SEC on or about the date of this presentation, 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, Net Leverage and Free Cash Flow conversion for 2026 and/or the first quarter of 2026. 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.



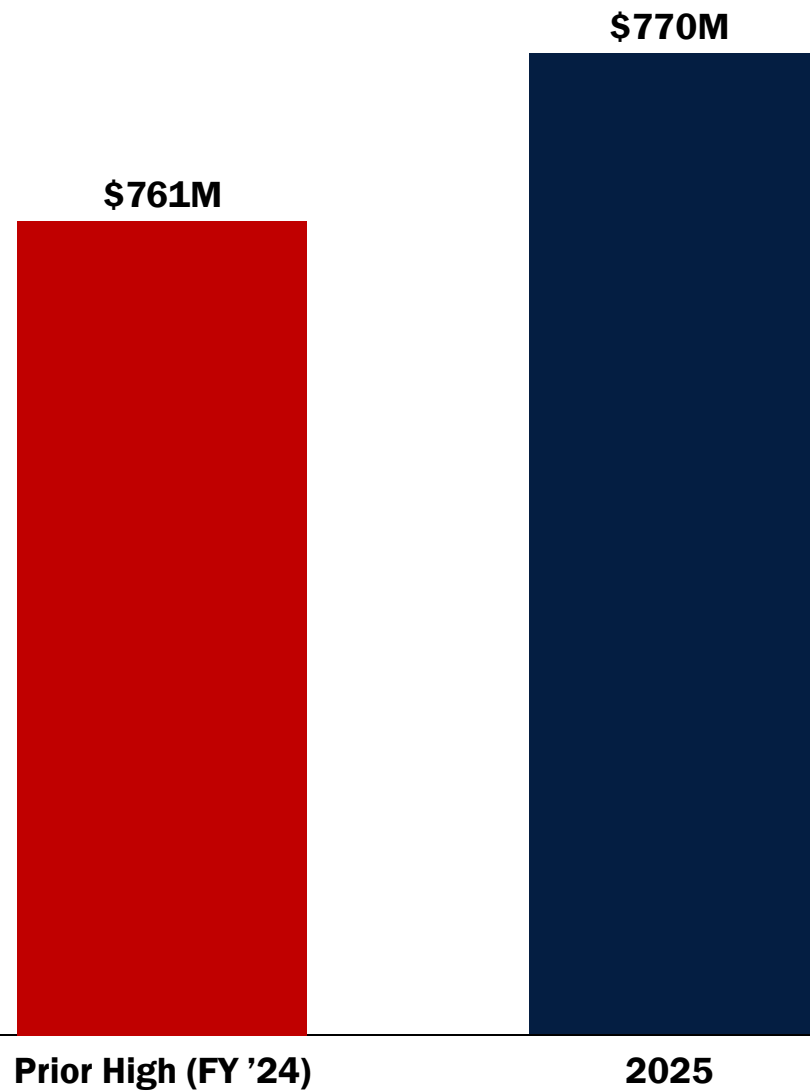
- **Outperformed our end markets in 2025; secular growth drivers accelerating**
 - Industrial markets are stabilizing; Personal Mobility core revenue +26% YoY and Data Center revenues increased ~4x YoY
- **Delivered record adjusted earnings metrics while offsetting macro and trade policy volatility**
 - Adjusted EBITDA dollars and adjusted EPS represented record performances
- **Improved balance sheet and returned capital to shareholders**
 - Net leverage ratio finished the year at 1.85x accompanied by repayment of \$100 million of gross debt during the year; deployed ~\$120 million to repurchase shares in 2025
- **Business well positioned to expand margin and deliver growth**
 - Exiting the downcycle with a structurally improved business, while delivering near-record adjusted EBITDA margin performance

ENTERING 2026 WITH CAUTIOUS OPTIMISM ABOUT INDUSTRIAL DEMAND RECOVERY

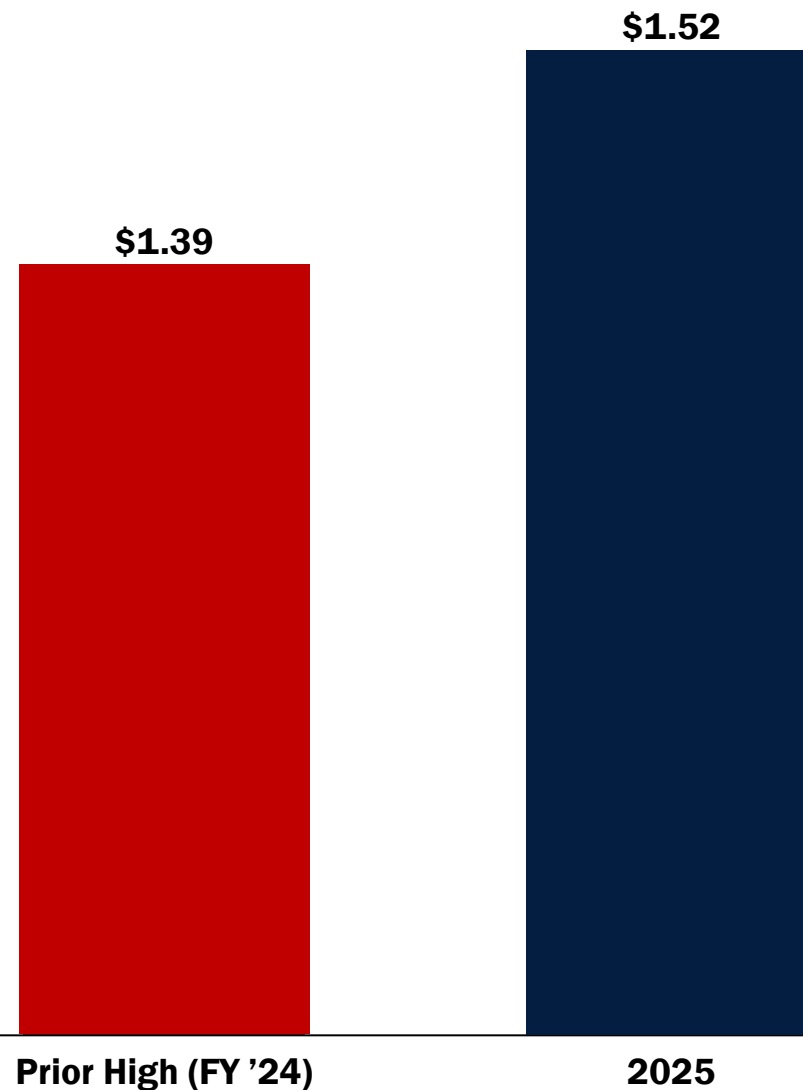


KEY FINANCIAL METRICS AT ANNUAL RECORD LEVELS

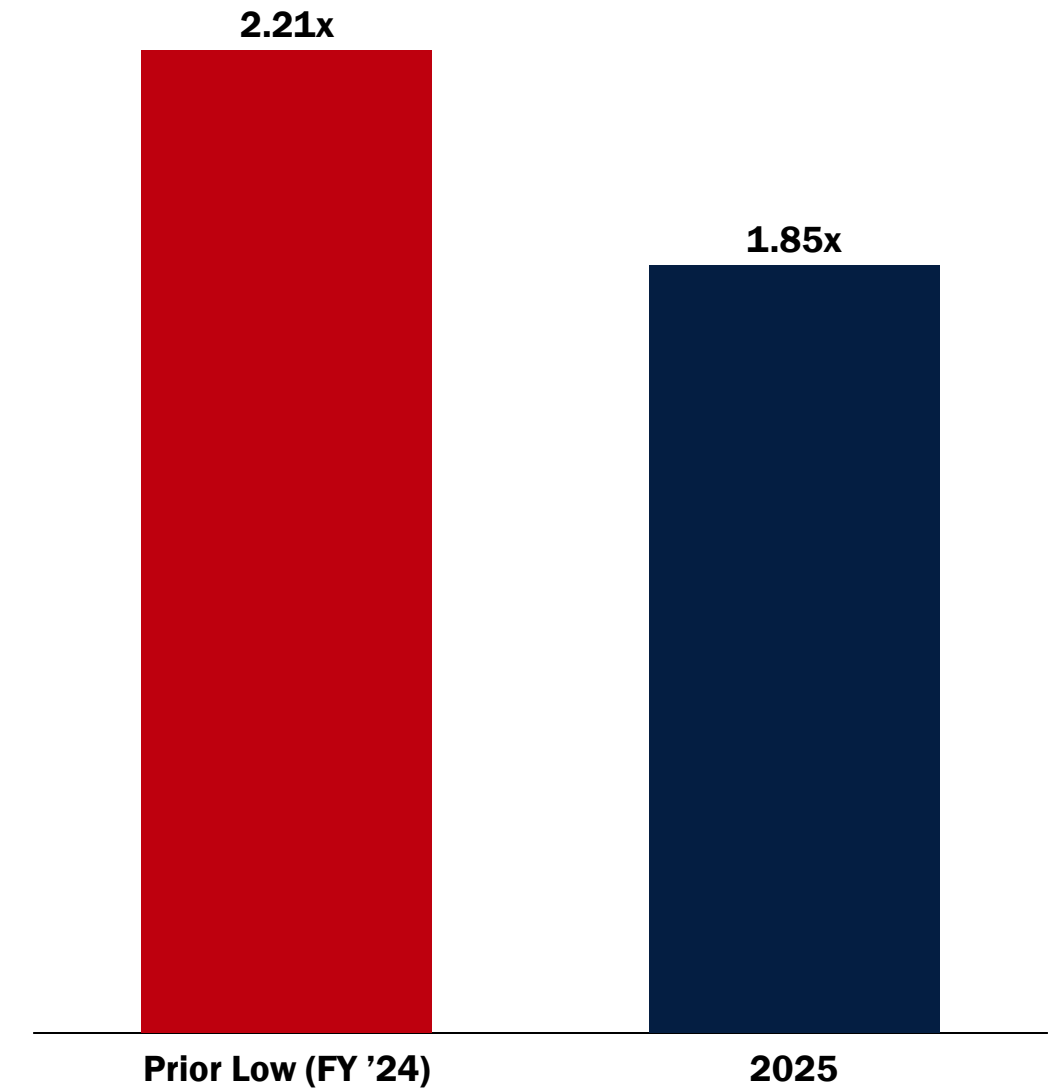
ADJUSTED EBITDA



ADJUSTED EPS



NET LEVERAGE RATIO



RECORD PERFORMANCE WHILE MANAGING THROUGH TROUGHING END MARKET DEMAND AND UNCERTAIN TRADE POLICY



2025 ADJUSTED EPS WALK



EXPANDED ADJUSTED EPS HIGH SINGLE DIGITS YOY WHILE EXPERIENCING END MARKET HEADWINDS



\$856M

Net Sales

Core Sales Performance In Line with Expectations

- Positive Industrial market growth, partially offset by Auto OEM
- OEM grew low-mid single digits; Aftermarket channel down slightly

\$188M

Adjusted EBITDA

21.9% Adjusted EBITDA margin

- Adjusted EBITDA margin increased slightly YoY
- Disciplined SG&A spending mitigated unfavorable mix and lower production volumes

\$0.38

Adjusted Earnings per Share

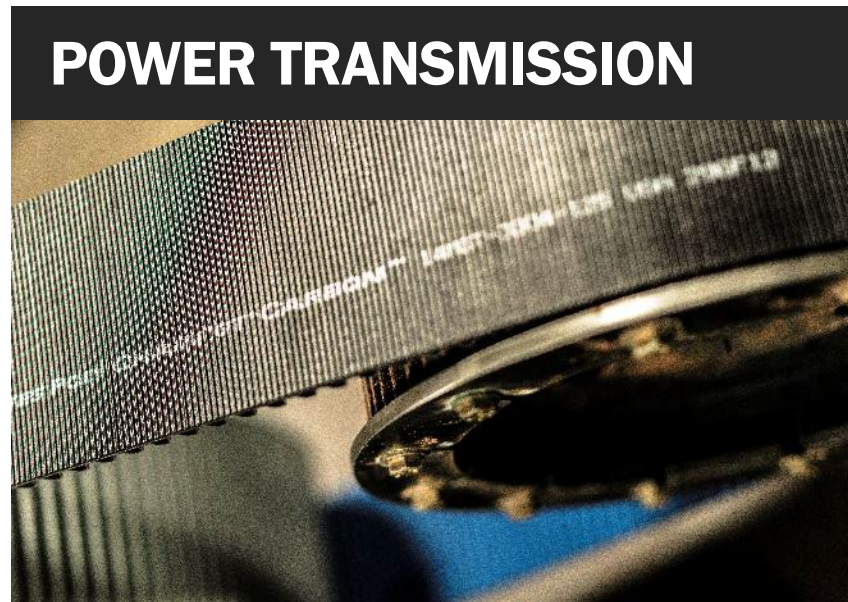
7% Increase YoY

- Operating income +\$0.03 YoY
- Other represented a slight offset

GENERATED SOLID ADJUSTED EPS GROWTH IN MUTED DEMAND ENVIRONMENT



SEGMENT HIGHLIGHTS



NET SALES	ADJ. EBITDA MARGIN	Q4 CORE GROWTH HIGHLIGHTS
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Q4 2025

\$536.5M

0.2%

Core Growth

22.0%

30 bps

Δ EBITDA Margin

2025

\$2.15B

1.3%

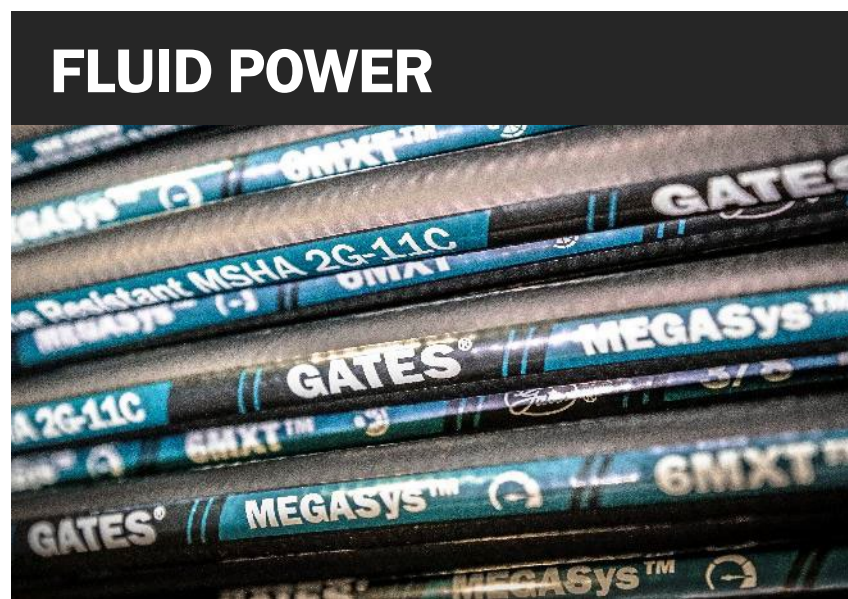
Core Growth

22.3%

10 bps

Δ EBITDA Margin

- 28% growth in Personal Mobility
- Off-Highway grew low single digits
- Automotive OEM declined
- Double-digit growth in Industrial OEM sales



Q4 2025

\$319.7M

1.2%

Core Growth

21.8%

(10) bps

Δ EBITDA Margin

2025

\$1.30B

(0.2%)

Core Growth

22.4%

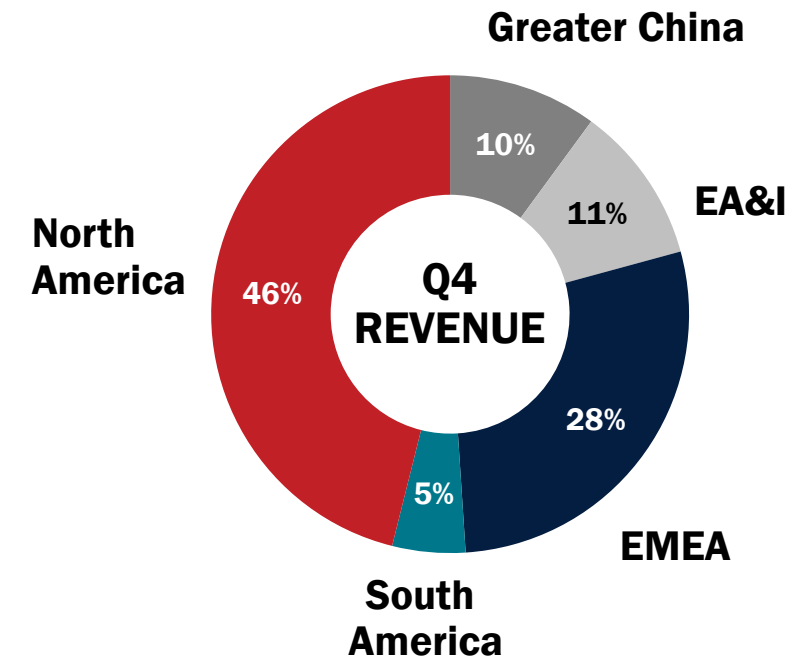
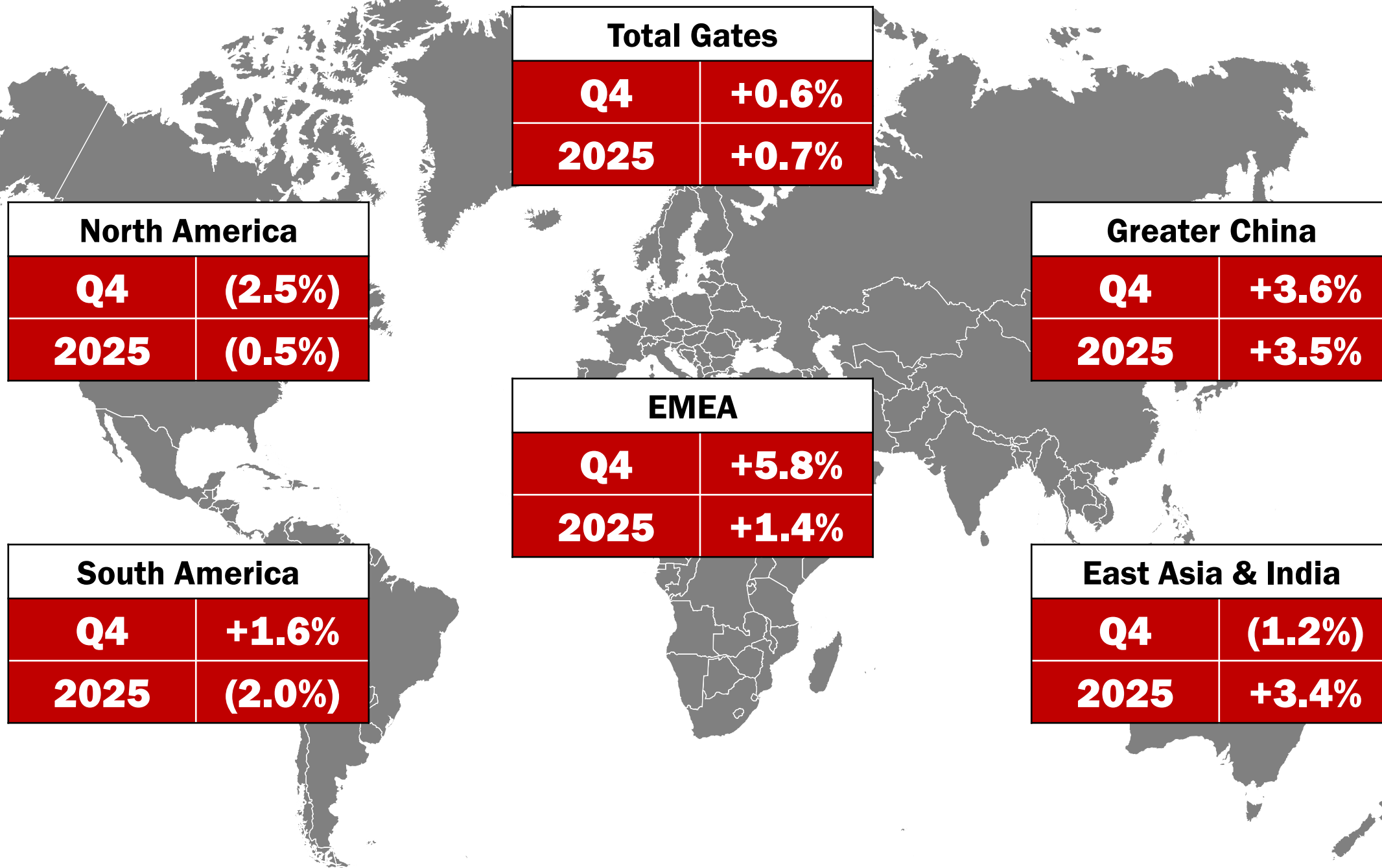
(10) bps

Δ EBITDA Margin

- Low double-digit growth in Off-Highway markets
- Industrial Aftermarket down mid-single digits partially offset by mid-single digit growth in Industrial OEM channels
- Auto Aftermarket increased high single digits YoY



REGIONAL CORE REVENUE PERFORMANCE

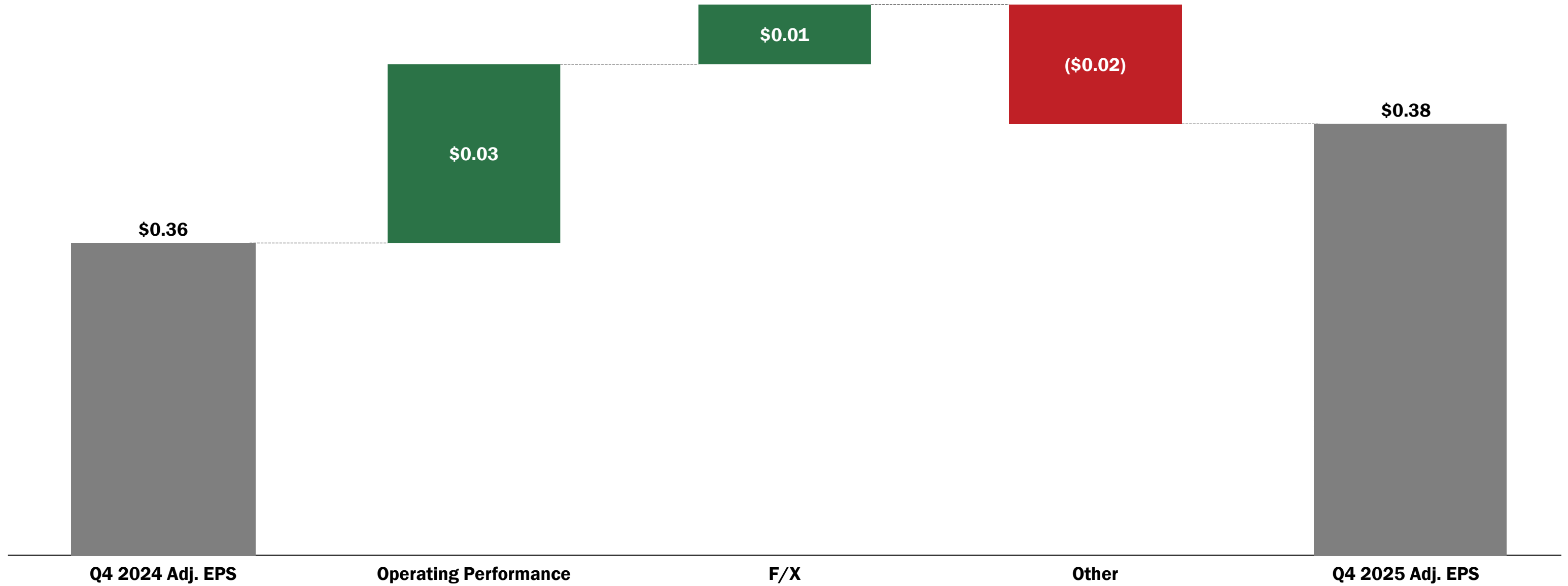


- **NA: Difficult Aftermarket comparisons YoY offsetting solid Industrial OEM performance**
- **EMEA: Industrial markets recovering supported by Ag and Construction; Automotive down slightly**
- **China Industrial up mid-single digits**

ACHIEVED GROWTH IN MOST GEOGRAPHIES



Q4 2025 ADJUSTED EPS WALK



OPERATING PERFORMANCE FUELED YOY EARNINGS GROWTH



\$236M

Free Cash Flow

238% free cash flow conversion

- Improved operating working capital performance vs. prior year period
- Full year FCF conversion increased 18%

1.85x

Net Leverage Ratio

Record low leverage ratio

- Finished with over \$800 million of cash on the balance sheet
- Achieved ratings upgrade to BB at S&P

23.4%

ROIC

Maintaining strong performance

- Near record adjusted EBITDA margin levels
- Capital investments and initiatives spending to support improved future profitability

ACHIEVED FREE CASH FLOW CONVERSION TARGET FOR THE YEAR; BALANCE SHEET IS STRONG



FULL YEAR 2026

CORE REVENUE GROWTH	ADJUSTED EBITDA	ADJUSTED EPS	CAPITAL EXPENDITURES	FREE CASH FLOW CONVERSION
1% to 4%	\$775M – \$835M	\$1.52 – \$1.68	~\$120M	90%+

KEY ASSUMPTIONS/CONSIDERATIONS

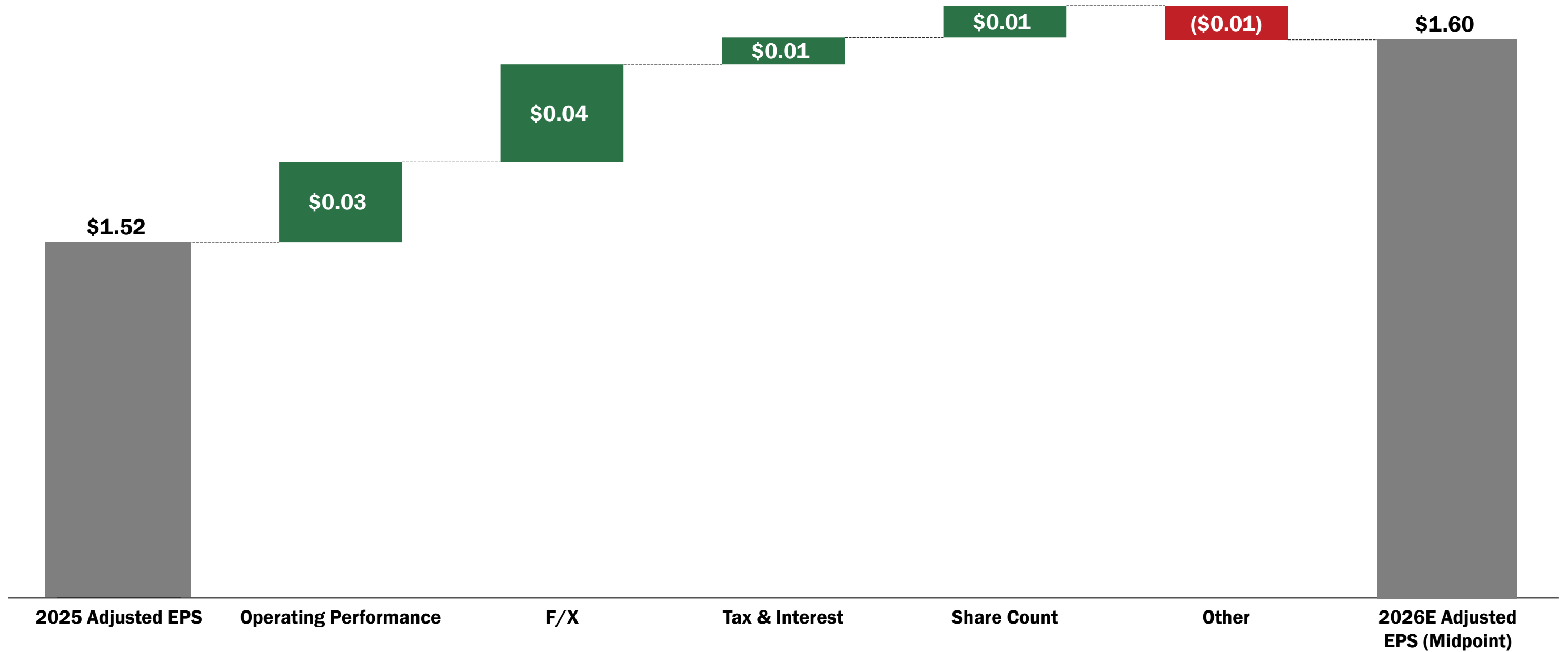
- **Solid core sales growth YoY anticipated Q2-Q4**
- **Adjusted EBITDA reflects:**
 - 1H headwind of ~100 bps related to ERP/footprint optimization
 - Footprint optimization savings building in 2H
- **90%+ FCF Conversion**

Q1 ESTIMATES

- **Revenues: \$845M - \$875M**
 - Core down 2.0-2.5% YoY at midpoint
 - Incorporates approximately 500 basis points sales headwind related to fewer business days YoY and sales impacted by ERP transition
- **Adjusted EBITDA margin**
 - (120 bps) to (160 bps) YoY
 - Includes ~150 bps YoY margin headwind from ERP and footprint optimization projects

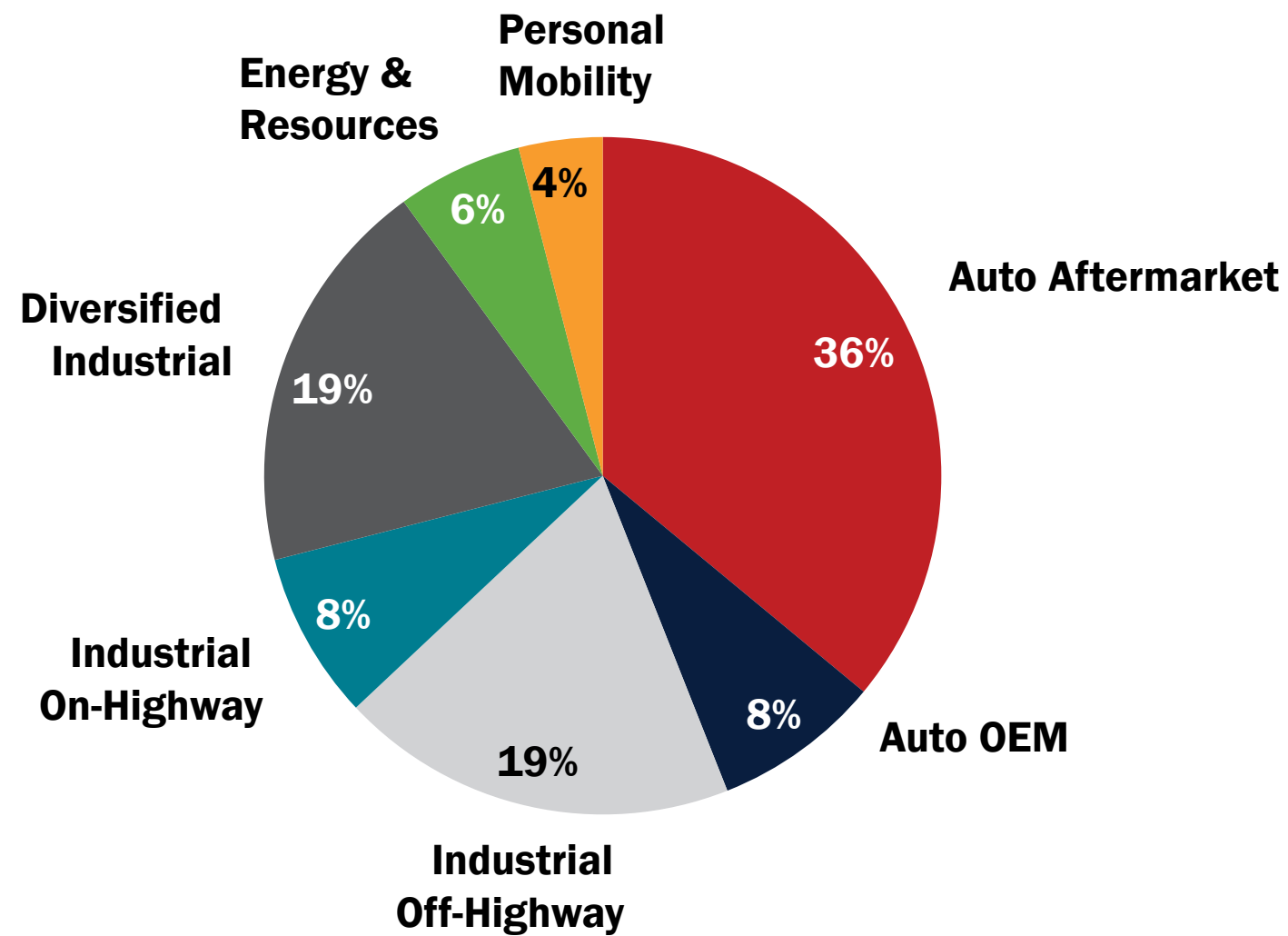


2026 ADJUSTED EPS WALK





FY 2025 SALES SPLITS



	2025 End Market Performance	Expected Trend vs PY
Automotive Aftermarket	+	↗
Automotive OEM	-	→
Industrial Off-Highway	-	↗
Industrial On-Highway	-	→
Diversified Industrial	○	↗
Energy & Resources	-	↘
Personal Mobility	+	↗



- **2025 was a record year for Gates**

- Generated record adjusted EBITDA dollars and adjusted EPS
- Achieved net leverage ratio under 2x for the first time

- **Building optimism for 2026**

- Relative to 2025, we expect more of our end markets to show stable to positive demand trends
- Observing initial signs of improved order rates, but 2026 guidance does not assume a full market recovery

- **Focused on driving growth**

- Expect Personal Mobility and Data Center to fuel growth in 2026 and beyond
- The Company is in solid financial position to augment its core growth opportunities with potential inorganic growth

IN SOLID POSITION TO CAPITALIZE ON POTENTIAL DEMAND INFLECTION AND INTEND TO ALLOCATE CAPITAL PRUDENTLY





APPENDIX





RECONCILIATIONS – CORE REVENUE GROWTH

(USD In millions)

Reconciliation of Core Sales Growth

Net sales for the quarter ended December 31, 2025

Impact on net sales of movements in currency rates

Core sales for the quarter ended December 31, 2025

Net sales for the quarter ended December 28, 2024

Increase in net sales

Increase in net sales on a core basis (core sales)

Net sales growth

Core sales growth

	Power Transmission	Fluid Power	Q4 2025
Net sales for the quarter ended December 31, 2025	\$ 536.5	\$ 319.7	\$ 856.2
Impact on net sales of movements in currency rates	(15.5)	(6.5)	(22.0)
Core sales for the quarter ended December 31, 2025	\$ 521.0	\$ 313.2	\$ 834.2
Net sales for the quarter ended December 28, 2024	520.0	309.4	829.4
Increase in net sales	16.5	10.3	26.8
Increase in net sales on a core basis (core sales)	\$ 1.0	\$ 3.8	\$ 4.8
Net sales growth	3.2%	3.3%	3.2%
Core sales growth	0.2%	1.2%	0.6%

(USD In millions)

YTD Reconciliation of Core Sales Growth

Net sales for the twelve months ended December 31, 2025

Impact on net sales of movements in currency rates

Core sales for the twelve months ended December 31, 2025

Net sales for the twelve months ended December 28, 2024

Increase (decrease) in net sales

Increase (decrease) in net sales on a core basis (core sales)

Net sales growth (decline)

Core sales growth (decline)

	Power Transmission	Fluid Power	FY 2025
Net sales for the twelve months ended December 31, 2025	\$ 2,147.1	\$ 1,296.1	\$ 3,443.2
Impact on net sales of movements in currency rates	(12.1)	1.9	(10.2)
Core sales for the twelve months ended December 31, 2025	\$ 2,135.0	\$ 1,298.0	\$ 3,433.0
Net sales for the twelve months ended December 28, 2024	2,108.1	1,300.1	3,408.2
Increase (decrease) in net sales	39.0	(4.0)	35.0
Increase (decrease) in net sales on a core basis (core sales)	\$ 26.9	\$ (2.1)	\$ 24.8
Net sales growth (decline)	1.9%	(0.3%)	1.0%
Core sales growth (decline)	1.3%	(0.2%)	0.7%



RECONCILIATIONS – ADJUSTED EBITDA AND NET LEVERAGE

\$D in millions)

Reconciliation to Adjusted EBITDA

Net Income from Continuing Operations

Adjusted for:

	Q4 2025	Q4 2024	FY 2025	FY 2024
Net Income from Continuing Operations	\$ 56.4	\$ 41.2	\$ 277.1	\$ 220.5
Income tax expense	15.0	46.7	63.1	107.5
Interest expense	32.6	34.1	125.9	155.8
Other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries ⁽¹⁾	1.3	(9.3)	4.0	(17.8)
Loss on deconsolidation of Russian subsidiary ⁽²⁾	-	-	-	12.7
Depreciation and amortization	54.7	54.1	213.8	216.9
Transaction-related expenses ⁽³⁾	-	1.2	0.5	3.3
Asset impairments	2.3	-	3.5	-
Restructuring expenses	5.2	1.5	26.3	6.5
Share-based compensation expense	4.8	8.6	27.2	28.8
Inventory adjustments ⁽⁴⁾ (included in cost of sales)	10.0	0.6	15.6	22.3
Restructuring related expenses (included in cost of sales)	2.4	0.9	6.9	1.8
Restructuring related expenses (included in SG&A)	3.1	1.4	11.4	2.9
Credit gain related to customer bankruptcy (included in SG&A)	-	-	-	(0.1)
Cybersecurity incident insurance recovery ⁽⁵⁾	-	-	(5.2)	-
Other items not directly related to current operations	-	(0.2)	-	-
Adjusted EBITDA	\$ 187.8	\$ 180.8	\$ 770.1	\$ 761.1

Adjusted EBITDA margin

Net Sales	\$ 856.2	\$ 829.4	\$ 3,443.2	\$ 3,408.2
Adjusted EBITDA	\$ 187.8	\$ 180.8	\$ 770.1	\$ 761.1
Adjusted EBITDA margin	21.9%	21.8%	22.4%	22.3%

Reconciliation to Net Leverage

Total principal amount of debt			\$ 2,240.1	\$ 2,363.5
Less: Cash and cash equivalents			(812.1)	(682.0)
Net Debt			\$ 1,428.0	\$ 1,681.5
Net Leverage (Net Debt divided by LTM Adjusted EBITDA)			1.85 x	2.21 x
Net Leverage Change YoY			(.4 x)	

(1) Other expenses (income) excludes foreign currency transaction losses and insurance recoveries of \$3.0 million and \$4.8 million during the three and twelve months ended December 31 2025, respectively, and foreign currency transaction gain of \$3.6 million and \$6.5 million during the three and twelve months ended December 28, 2024, respectively.

(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) Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transaction.

(4) Inventory adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis.

(5) In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded \$5.2 million of expenses from Adjusted EBITDA.



RECONCILIATIONS – ADJUSTED NET INCOME

(USD in millions, except share numbers and per share amounts)

Reconciliation to Adjusted Net Income

Net Income Attributable to Shareholders

Adjusted for:

	Q4 2025	Q4 2024	FY 2025	FY 2024
Net Income Attributable to Shareholders	\$ 51.3	\$ 36.6	\$ 251.4	\$ 194.9
Loss on the disposal of discontinued operations	0.1	0.1	0.8	0.6
Loss on deconsolidation of Russian subsidiary ⁽¹⁾	-	(0.1)	-	12.7
Amortization of intangible assets arising from the 2014 acquisition of Gates	29.3	28.7	115.8	115.5
Transaction-related expenses ⁽²⁾	-	1.2	0.5	3.3
Asset impairments	2.3	-	3.5	-
Restructuring expenses	5.2	1.5	26.3	6.5
Restructuring related expenses (included in cost of sales)	2.4	0.9	6.9	1.8
Restructuring related expenses (included in SG&A)	3.1	1.4	11.4	2.8
Share-based compensation expense	4.8	8.6	27.2	28.8
Inventory adjustments ⁽³⁾ (included in cost of sales)	10.0	0.6	15.6	22.3
Adjustments relating to post-retirement benefits	-	(0.7)	1.3	(2.6)
Financing and other FX related (gains) losses	4.1	(6.1)	12.4	(7.0)
Cybersecurity incident insurance recovery ⁽⁴⁾	-	-	(5.2)	-
Loss on extinguishment of debt ⁽⁵⁾	-	-	-	14.8
Discrete tax items ⁽⁶⁾	1.7	31.7	(18.9)	23.4
Other adjustments	(0.6)	(2.3)	(5.2)	(7.0)
Estimated tax effect of the above adjustments	(14.5)	(8.6)	(48.9)	(43.1)
Adjusted Net Income	\$ 99.2	\$ 93.5	\$ 394.9	\$ 367.7
Diluted weighted average number of shares outstanding	259,007,742	261,090,036	260,534,865	264,675,566
GAAP Net Income per diluted share	\$ 0.20	\$ 0.14	\$ 0.96	\$ 0.74
Adjusted Net Income per diluted share	\$ 0.38	\$ 0.36	\$ 1.52	\$ 1.39
YoY Adjusted Net Income per diluted share	5.6%		9.4%	

Note: Referenced footnotes continue on the following page



RECONCILIATIONS – ADJUSTED NET INCOME (CONT.)

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- (1) 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.
- (2) Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.
- (3) Inventory adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis.
- (4) In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded \$5.2 million of expenses from Adjusted Net Income.
- (5) 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.
- (6) Discrete tax items include changes in uncertain tax positions relating to prior years, changes in tax laws or rates, changes in valuation allowances, excess tax benefits on stock option exercises, and prior year adjustments in various foreign jurisdictions in which returns were filed.



RECONCILIATIONS – FREE CASH FLOW & FREE CASH FLOW CONVERSION

(USD in millions)

Reconciliation of Free Cash Flow

Net Cash Provided By Operating Activities
 Capital Expenditures ⁽¹⁾
Free Cash Flow

	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$ 269.8	\$ 190.9	\$ 478.1	\$ 379.6
	(33.5)	(33.4)	(113.9)	(106.7)
	\$ 236.3	\$ 157.5	\$ 364.2	\$ 272.9

(USD in millions)

Reconciliation of Free Cash Flow Conversion

Free Cash Flow
 Adjusted Net Income
Free Cash Flow Conversion

	Q4 2025	Q4 2024	FY 2025	FY 2024
	\$ 236.3	\$ 157.5	\$ 364.2	\$ 272.9
	\$ 99.2	\$ 93.5	\$ 394.9	\$ 367.7
	238.2%	168.4%	92.2%	74.2%



RECONCILIATIONS – RETURN ON INVESTED CAPITAL (ROIC)

(USD in millions)

Return On Invested Capital (ROIC)

LTM Adjusted EBITDA

LTM Total depreciation and amortization

LTM Amortization of intangible assets arising from the 2014 acquisition of Gates

LTM Adjusted EBIT

Notional tax at 25%

LTM Tax-effected Adjusted EBIT

Total Assets

Adjusted for:

Cash

Taxes receivable

Deferred tax assets

Prepaid taxes

Accounts payable

Intangibles arising from the acquisition of Gates

Invested Capital

Return On Invested Capital

Change YoY

	FY 2025	FY 2024
	\$ 770.1	\$ 761.1
	(213.8)	(216.9)
	115.8	115.5
	672.1	659.7
	(168.0)	(164.9)
	\$ 504.1	\$ 494.8
	\$ 7,151.4	\$ 6,786.3
	(812.1)	(682.0)
	(48.8)	(49.3)
	(640.0)	(553.5)
	(20.7)	(15.5)
	(433.7)	(408.2)
	(3,046.4)	(3,014.2)
	\$ 2,149.7	\$ 2,063.6
	23.4%	24.0%
	- 60 bps	



RECONCILIATIONS – ADJUSTED GROSS PROFIT

(USD in millions, except share numbers and per share amounts)

Reconciliation to Adjusted Gross Profit

	FY 2025	FY 2024	FY 2023
Net Sales	\$ 3,443.2	\$ 3,408.2	\$ 3,570.2
Cost of sales	2,071.5	2,049.7	2,211.3
Gross Profit	<u>\$ 1,371.7</u>	<u>\$ 1,358.5</u>	<u>\$ 1,358.9</u>
<i>Adjusted for:</i>			
Inventory adjustments ⁽¹⁾ (included in cost of sales)	15.6	22.3	7.4
Restructuring related expenses (included in cost of sales)	6.9	1.8	0.4
Adjusted Gross Profit	<u>\$ 1,394.2</u>	<u>\$ 1,382.6</u>	<u>\$ 1,366.7</u>
Gross Profit margin	39.8%	39.9%	38.1%
Adjusted Gross Profit margin	40.5%	40.6%	38.3%

(1) Inventory adjustments includes the reversal of the adjustment to remeasure certain inventories on a LIFO basis.



RECONCILIATIONS – SEGMENT ADJUSTED EBITDA MARGIN

(USD in millions)

Reconciliation to Segment Adjusted EBITDA Margin

	Q4 2025	Q4 2024	Change	FY 2025	FY 2024	Change
Power Transmission Net Sales	\$ 536.5	\$ 520.0	\$ 16.5	\$ 2,147.1	\$ 2,108.1	\$ 39.0
Power Transmission Adjusted EBITDA	\$ 118.0	\$ 112.9	\$ 5.1	\$ 479.6	\$ 468.7	\$ 10.9
Adjusted EBITDA Margin	22.0%	21.7%	30 bps	22.3%	22.2%	10 bps
Fluid Power Net Sales	\$ 319.7	\$ 309.4	\$ 10.3	\$ 1,296.1	\$ 1,300.1	\$ (4.0)
Fluid Power Adjusted EBITDA	\$ 69.8	\$ 67.9	\$ 1.9	\$ 290.5	\$ 292.4	\$ (1.9)
Adjusted EBITDA Margin	21.8%	21.9%	-10 bps	22.4%	22.5%	-10 bps
Total Net Sales	\$ 856.2	\$ 829.4	\$ 26.8	\$ 3,443.2	\$ 3,408.2	\$ 35.0
Total Adjusted EBITDA	\$ 187.8	\$ 180.8	\$ 7.0	\$ 770.1	\$ 761.1	\$ 9.0
Adjusted EBITDA Margin	21.9%	21.8%	10 bps	22.4%	22.3%	10 bps
Net Income From Continuing Operations	\$ 56.4	\$ 41.2	\$ 15.2	\$ 277.1	\$ 220.5	\$ 56.6
Net Income From Continuing Operations Margin	6.6%	5.0%	160 bps	8.0%	6.5%	150 bps