



DRIVEN BY POSSIBILITY

NOVEMBER 2021





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 (including growth and margin improvement), expectations regarding margin headwinds (including inflation, supply chain, logistical and labor challenges) and the success of related pricing actions, the robust demand environment (including strong order intake trends and growing pipeline of opportunities), price offset on materials and logistics, liquidity and capital resources including deleveraging and our capital allocation flexibility, investment in working capital, productivity and product initiatives, portfolio optimization, increased optionality to accelerate growth inorganically, the success of our efforts related to new partnerships and equipment design and application, and statements regarding the impact of and the recovery from the COVID-19 pandemic and our outlook for 2021 and 2022. Such forward-looking statements are subject to various risks and uncertainties, including, among others, the uncertainties relating to the impact of the COVID-19 pandemic and associated governmental measures on the company's business, operations, employees, financial condition and results of operations, risks inherent to the manufacturing industry, macroeconomic factors beyond the Company's control including raw material and wage inflation, supply chain and labor challenges and end-market recovery, continued operation of our manufacturing facilities, our ability to forecast and meet demand, market acceptance of new products, and the significant influence of the Company's majority shareholders, investment funds affiliated with Blackstone Inc. 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 January 2, 2021, filed with the Securities and Exchange Commission ("SEC"), 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. 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.



INVESTMENT HIGHLIGHTS

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Organic Initiatives Delivering Above-Market Growth

Innovation Opening New Market Opportunities

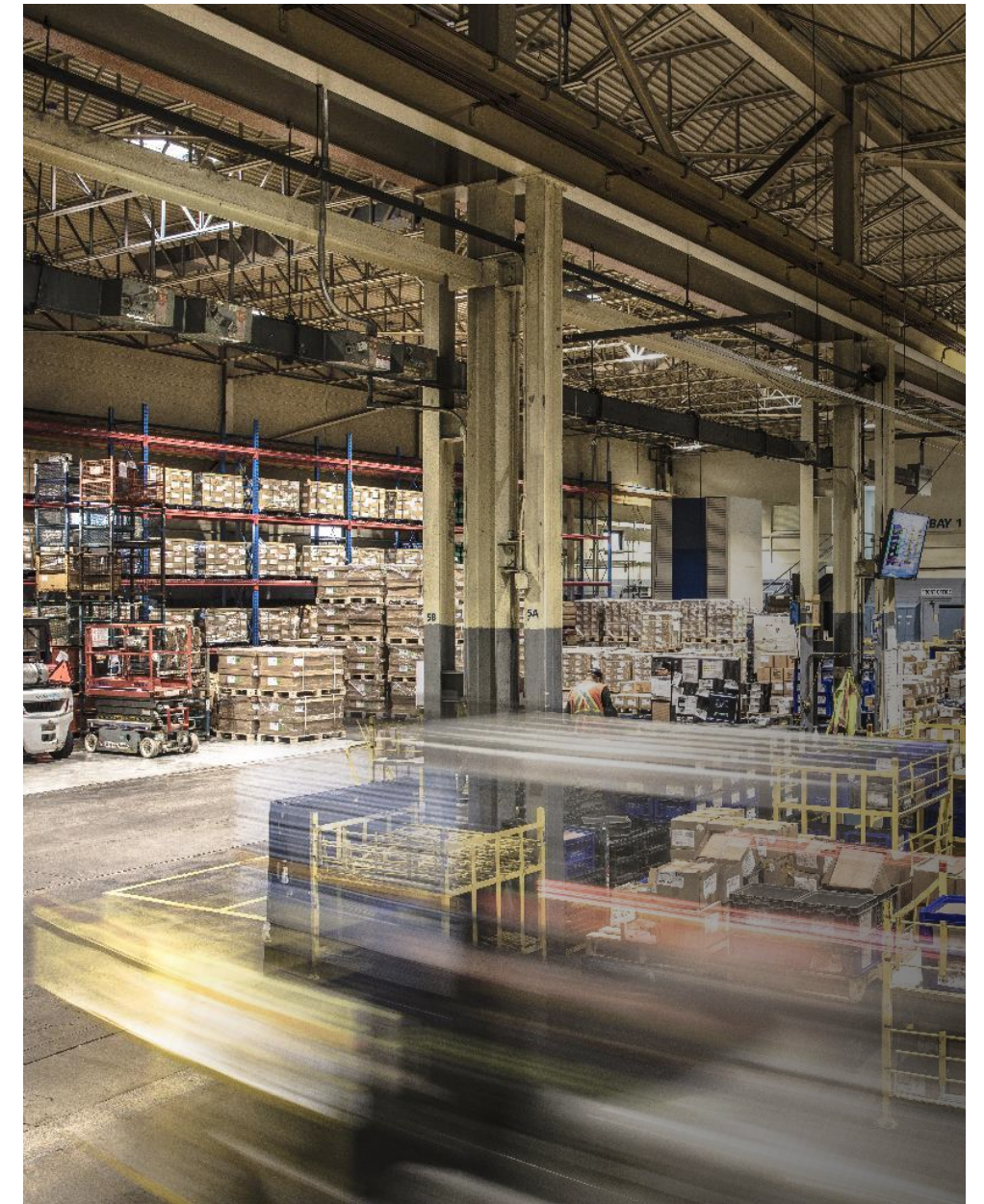
Driving Sustainability across the Enterprise

Increasing Profitability through GPS & Innovation

Strong Free Cash Flow Generation

Improved Net Leverage Provides Capital Allocation Flexibility

M&A as a Growth Accelerator





ACHIEVE GLOBAL **PRODUCT INNOVATION LEADERSHIP**
AND EXPAND OUR **PREMIER POSITION IN OUR CORE POWER**
TRANSMISSION AND FLUID POWER MARKETS,

WHILE DELIVERING **ABOVE-MARKET GROWTH,**
****SUPERIOR PROFITABILITY** AND **STRONG CASH FLOW GENERATION****
TO PROVIDE SHAREHOLDERS WITH **ATTRACTIVE RETURNS**

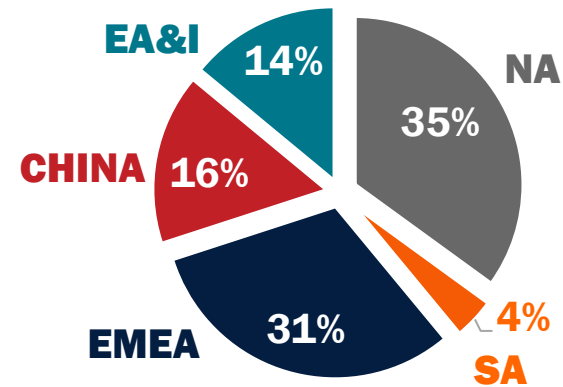


POWER TRANSMISSION – SEGMENT OVERVIEW

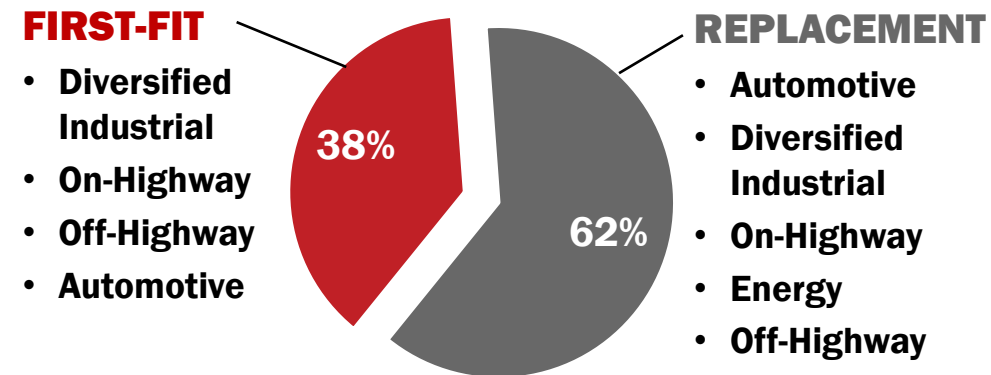
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Q3 2021 LTM REVENUE: \$2.2B

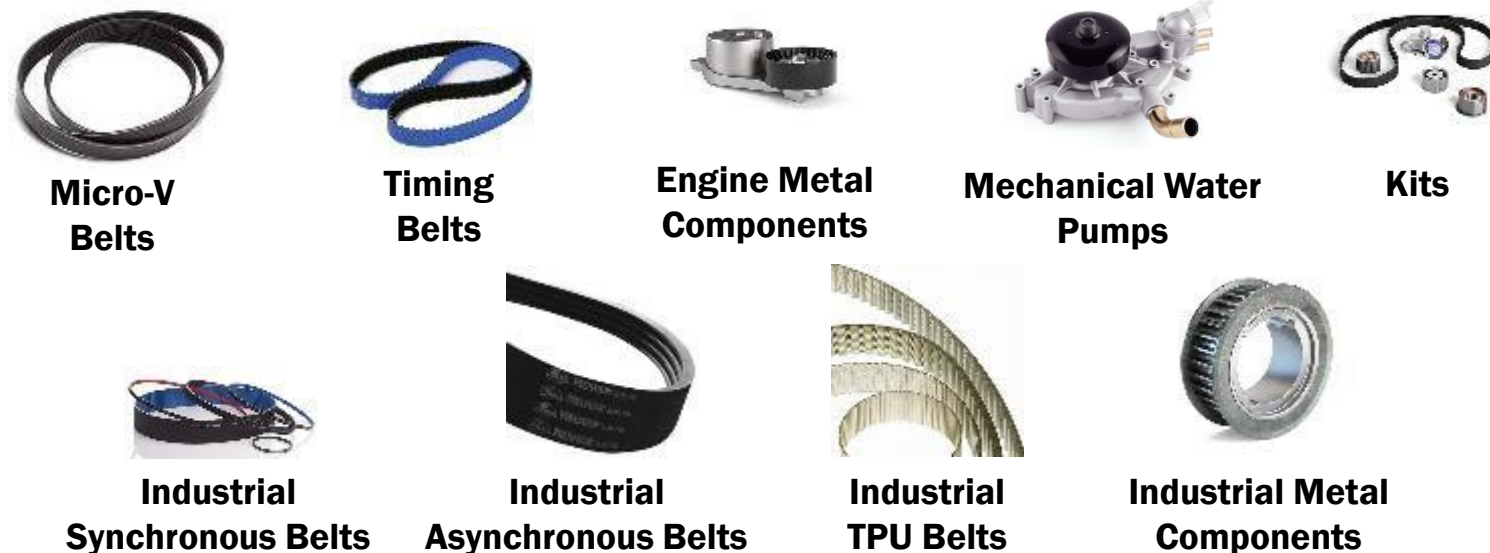
BY REGION



BY CHANNEL



PRODUCT PORTFOLIO

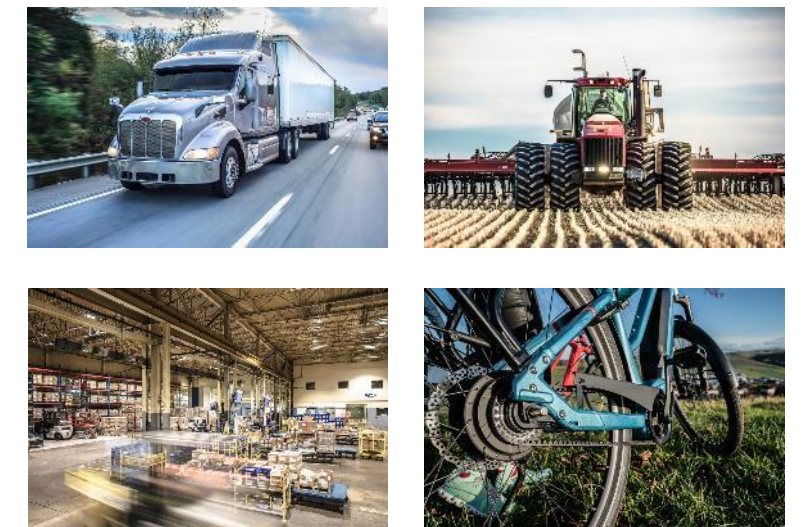
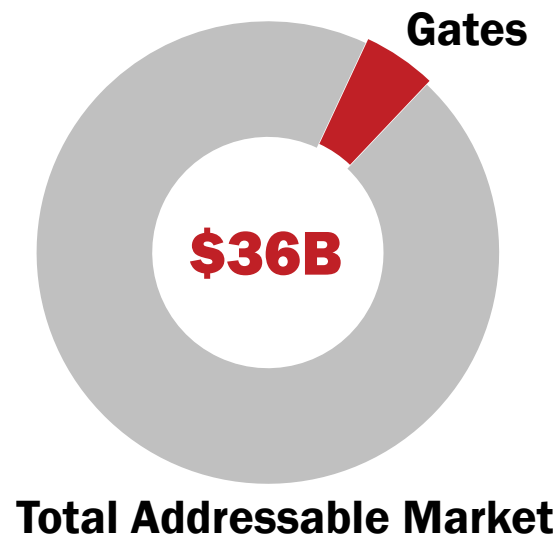


SUMMARY

- Leading global belt provider
- Broadest catalog of mission-critical components
- Replacement market focus
- Diverse customers, applications and end markets
- Global footprint and channel coverage
- Unique belt drive system value propositions

MARKET OPPORTUNITY

- One of few scaled players in large, fragmented **\$36B** addressable market¹



SIGNIFICANT GROWTH OPPORTUNITIES IN EXISTING MARKETS

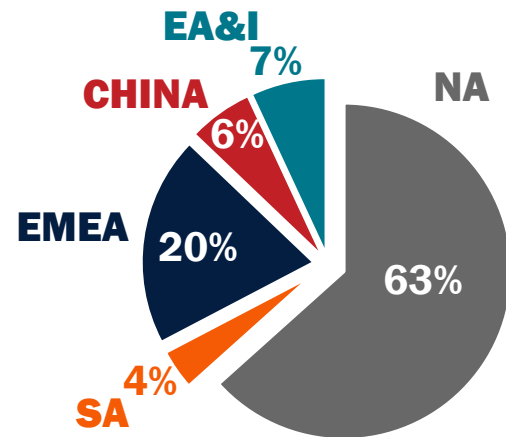


FLUID POWER – SEGMENT OVERVIEW

6

Q3 2021 LTM REVENUE: \$1.2B

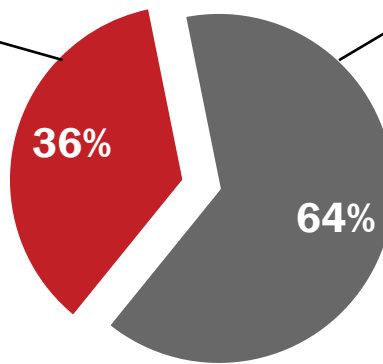
BY REGION



BY CHANNEL

FIRST-FIT

- Off-Highway
- On-Highway
- Diversified Industrial



REPLACEMENT

- Diversified Industrial
- Off-Highway
- Energy
- Automotive
- On-Highway

PRODUCT PORTFOLIO



Hydraulic Hose and Couplings



Hydraulic Tubing



Industrial Hose and Couplings



Thermal Management Hose / Electric Water Pumps



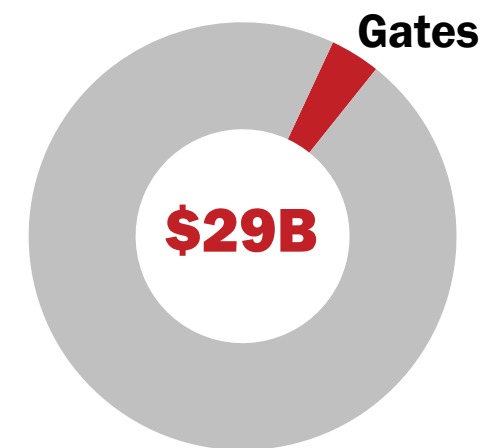
Oil & Gas Drilling Hose

SUMMARY

- Mission-critical components for hydraulic and fluid conveyance applications
- Core market with several avenues for growth
- Favorable replacement dynamics
- Heritage of product innovation
- Extending premium product line within existing applications

MARKET OPPORTUNITY

- One of few scaled players in large, fragmented **\$29B** addressable market¹



Total Addressable Market



LEADER IN A HIGHLY FRAGMENTED MARKET WITH OPPORTUNITY TO GROW ACROSS PRODUCT LINES, REGIONS AND END MARKETS



HISTORY OF TRANSFORMATION

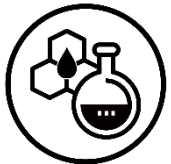
7

2015-2017 STABILIZE



OPERATIONS

- Deployed Gates Production System
- Established Global HSE, Quality & Sourcing functions



INNOVATION

- Invested in Materials Science, Product & Process R&D Capability



DIGITAL

- Strengthened IT Systems



TEAM

- Rebuilt Leadership Team
- Realigned around Product Segments

2018-2020 INVEST

- 3 New Factories Online
- Footprint Optimization
- Globalized and Standardized Key Production Processes

- 30+ New Product Platform Launches
- Start-Up of Proprietary Manufacturing Processes
- Built R&D COEs in EMEA and India

- Application and Infrastructure Investments
- Launched IOT Platform, Mobile Apps, Customer Portal and eCommerce

- Accelerated Restructuring
- Implemented Shared Service Centers for Customer Service, Marketing, Finance, HR and IT

2021+ INFLECT

- Outgrow the Market Organically
- Expand Earnings
- De-Lever the Balance Sheet
- Accelerate M&A
- Transform the Portfolio

MID-TERM TARGETS

REVENUE **\$4B+**

ADJ. EBITDA % **24%+**

ROIC **20%+**

CASH FLOW CONV. **~100%**

NET LEVERAGE **~2x**

DRIVING SHAREHOLDER VALUE BY TRANSFORMING GATES INTO A LEADING PREMIUM INDUSTRIAL COMPANY



GATES END MARKETS – Q3 2021 YTD NET SALES

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DIVERSIFIED INDUSTRIAL

- General/Light Mfg.
- Pharma & Healthcare
- Process Industries
- Food & Beverage
- Industrial Automation
- Warehousing
- Logistics
- Building Products
- Forestry, Packaging & Paper
- Lawn, Garden & Landscaping
- Consumer & Office Products
- HVAC & Building Automation



ENERGY & RESOURCES

- O&G
- Mining
- Renewables

INDUSTRIAL OFF-HIGHWAY

- Ag
- Construction

INDUSTRIAL ON-HIGHWAY

- Heavy-Duty Truck
- Bus

MOBILITY & RECREATION

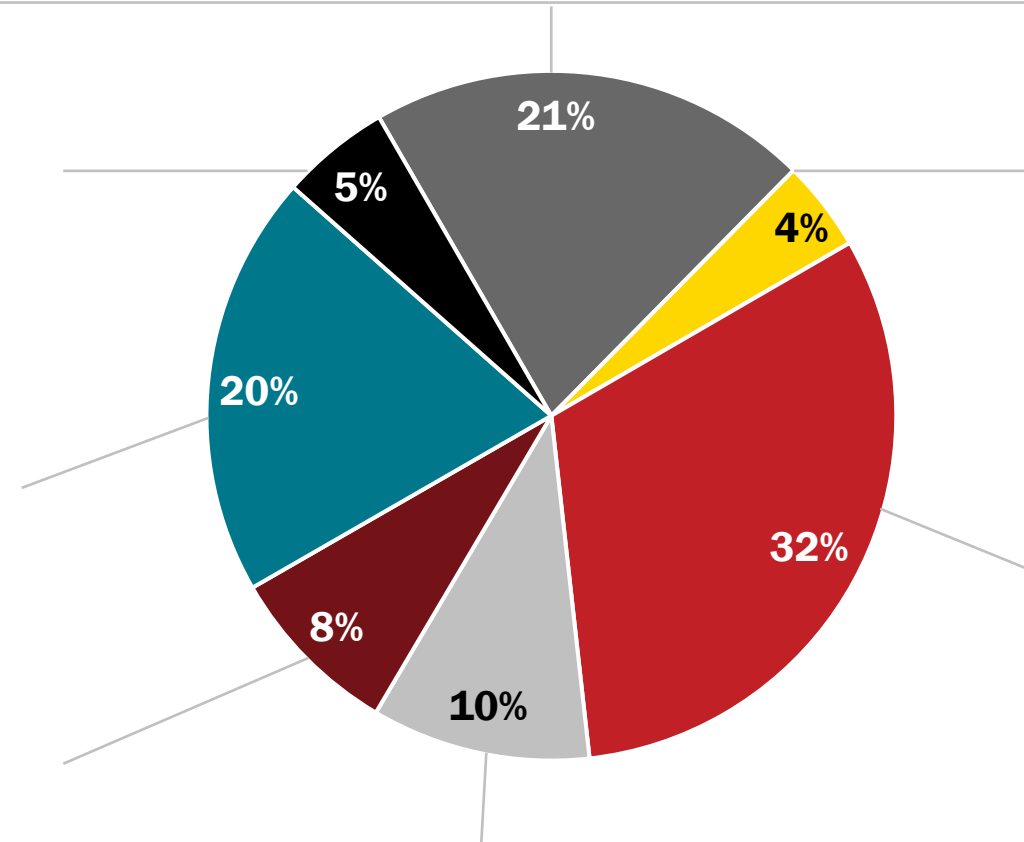
- Bikes, Motorcycles, Scooters
- Powersports Vehicles
- Fitness Equipment

AUTO REPLACEMENT

- Independent Repair Shops
- eCommerce
- Dealer Service

AUTO OEM

- Passenger Vehicles
- Light Commercial Vehicles

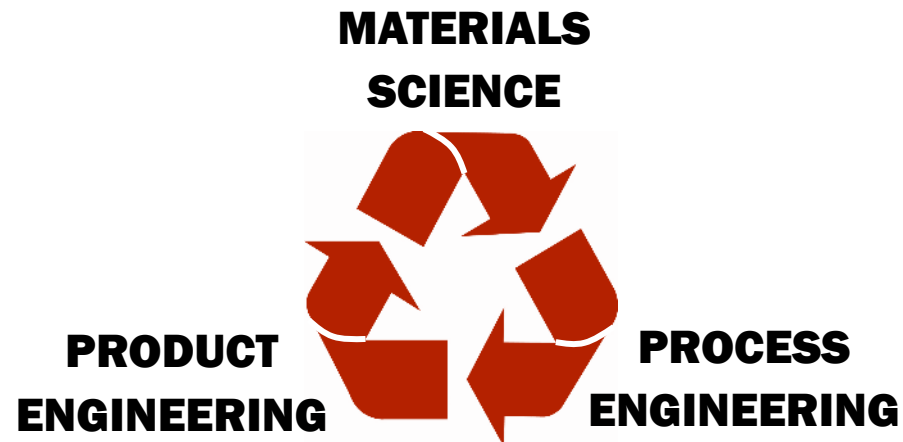


ATTRACTIVE AND DIVERSE SET OF END MARKETS

WITH STRONG SECULAR TRENDS SUCH AS ENVIRONMENTAL SUSTAINABILITY, INDUSTRIAL AUTOMATION AND ELECTRIFICATION



GATES INNOVATION SYSTEM

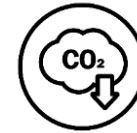


SUSTAINABLE PRODUCTS

- New products use less material to achieve better performance
- Shifting towards more environmentally friendly compounds

[Gates Sustainability Reports](#)

SUSTAINABLE OPERATIONS



-23%

**GHG
Emissions¹**



-28%

**Water
Consumption²**



-12%

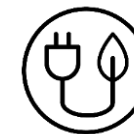
**Energy
Consumption³**

- Operational improvements 2015 to 2020, despite COVID-19 challenges in 2020

SUSTAINABLE APPLICATION BENEFITS



Lightweight



Efficient



Safe



Clean



Reliable



Leak Free



Lubricant Free



Quiet

ECO-INNOVATION DRIVING SUSTAINABILITY – ENABLING ENTRY INTO NEW END MARKETS AND APPLICATIONS



COMMON ATTRIBUTES OF INDUSTRIAL BUSINESS SYSTEMS

-25%

Safety

Total Case Incident Rate (TCIR)

-36%

Safety

Lost-Time Incident Rate (LTIR)

-57%

Quality

Customer Defects (PPM)

**Net Price
Offsets
Inflation**

+33%

**Throughput/Unit
Footprint (FP)**

+60%

**Throughput/Unit
Footprint (PT)**



INNOVATION DIFFERENTIATES THE GATES PRODUCTION SYSTEM

PRODUCT INNOVATION

- Less Material 
- Lighter Weight 
- More Flexible
- Higher Efficiency 
- Higher Performance
- Eco-Friendly Materials 



PROCESS INNOVATION

- Higher Throughput
- Increased Capacity
- Reduced Scrap 
- Improved Quality
- Less Energy and Water Usage 



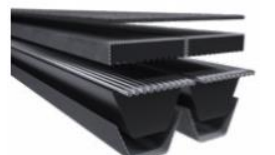
MXT Hydraulic
Hose



High-Efficiency
Micro-V



GT4
Sync. Belts



V-Force Xtreme
V-Belts

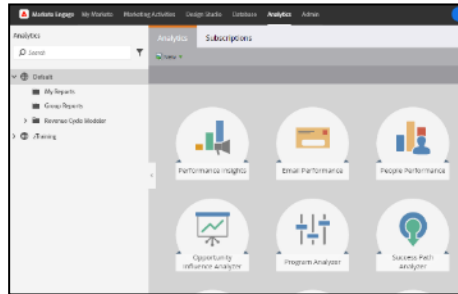
Note: Figures represent Gates 2017 to 2020 improvements

GATES IS DELIVERING WORLD-CLASS OPERATING PERFORMANCE ENABLED BY GPS AND INNOVATION

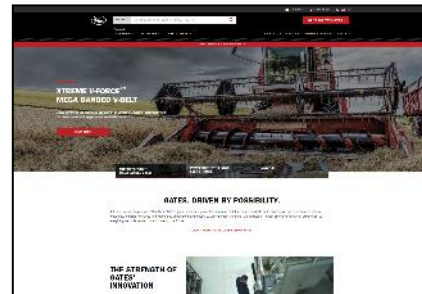


CUSTOMER EXPERIENCE & MARKETING

- Ease of doing business, demand generation & sales effectiveness



**CRM & Marketing
Automation**



**Gates.com
Global Website**



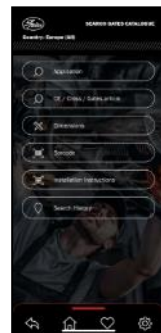
**GatesConnect.com
Customer Service Portal**

MOBILE APPS

- Delivering the right content to the right locations at the right time



**Carbon
Drive**



**Global
Catalog**



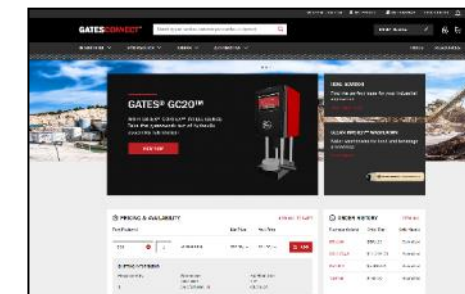
**eCrimp Hydraulic
Crimp Specs**

E-COMMERCE

- Enabling channel partner eCommerce and touchless transactions



**EDI Integration with
Key Customers**



**GatesConnect.com
Channel Partner eCommerce
& Order Management**



**A+ Content Enables
Channel Partner
eCommerce**

INTERNET OF THINGS

- Digitalizing our customer interface in the field



**GC20 Connected
Crimper**

Ease of Use



**Increased sales, does not
require skilled labor**

**Onboard Training and
Marketing Content**



**GC20 users consume
more new products**

**Updated Crimp
Specifications**



**Ensures high-quality
hose/coupling assemblies
in the field**

SIGNIFICANT INVESTMENT UNDERWAY TO DIGITALIZE THE BUSINESS AND DELIVER WORLD-CLASS CUSTOMER EXPERIENCES

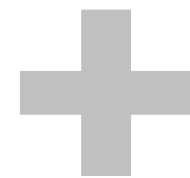


MARKET GROWTH



- Large, Fragmented & Diversified Industrial End Markets
- Secular Tailwinds

**INDUSTRIAL
MARKET**



INITIATIVE GROWTH

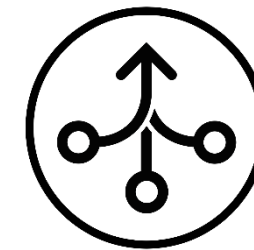


- New Product Innovation
- Geographic Expansion
- Installed Capacity

2-3%



M&A GROWTH



- Diverse Landscape
- Investments in Place to Support Synergies

3-5%

**TARGET 5-8% REVENUE
GROWTH ABOVE MARKET**

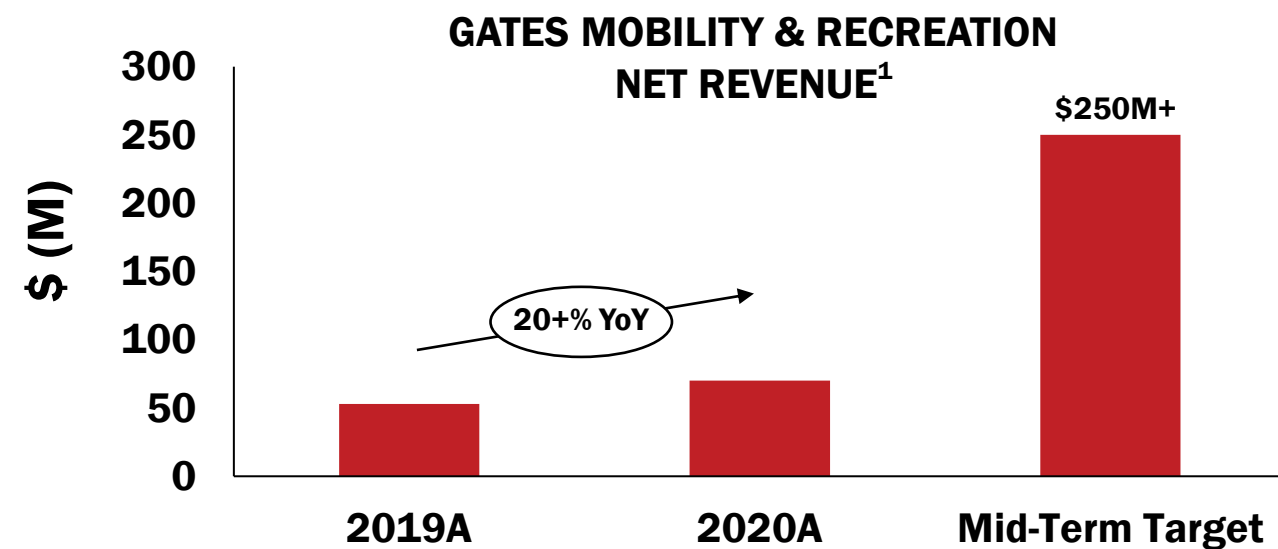
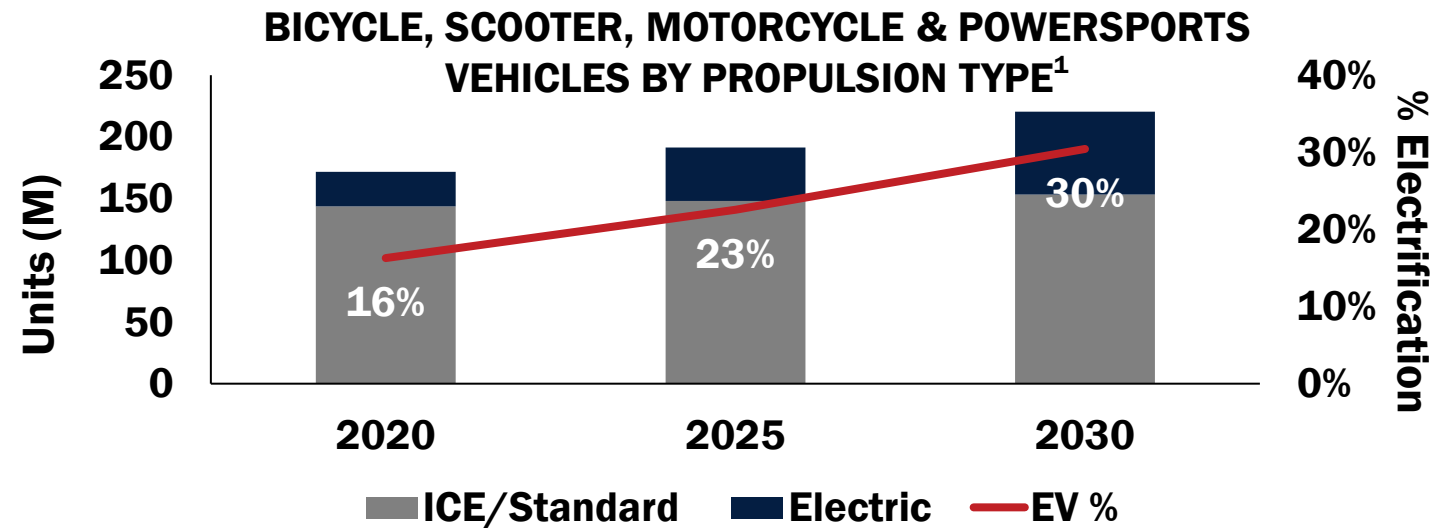
**GATES COMPARES FAVORABLY TO PREMIUM INDUSTRIAL PEERS¹ OVER THE PAST SEVERAL INDUSTRIAL CYCLES
INVESTMENTS IN PLACE TO ACCELERATE ORGANIC GROWTH; DE-LEVERING BALANCE SHEET SUPPORTS M&A GROWTH OPTIONS**



MOBILITY & RECREATION DD GROWTH OPPORTUNITY

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MARKET DYNAMICS



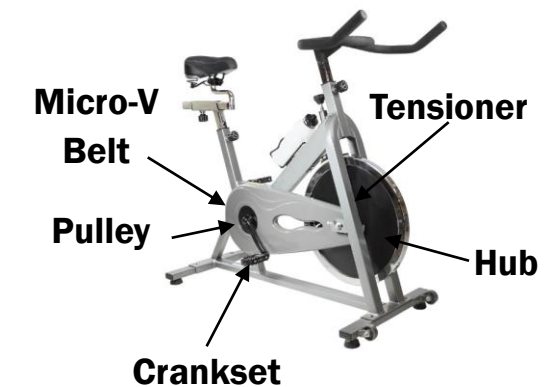
GATES CONTENT OPPORTUNITIES

BIKE/E-BIKE



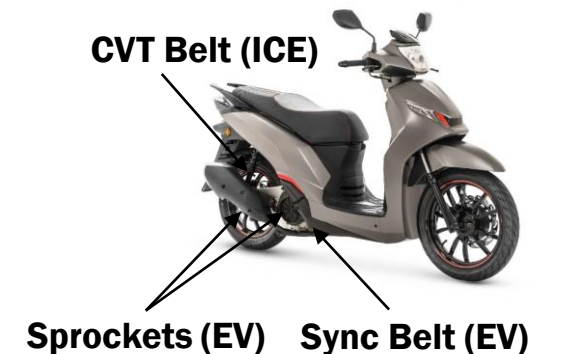
\$100-\$200

FITNESS EQUIPMENT

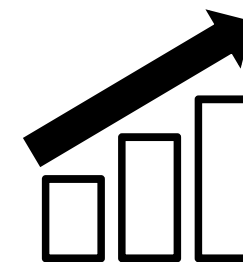


\$5-\$100

MOTORCYCLES, SCOOTERS & POWERSPORTS

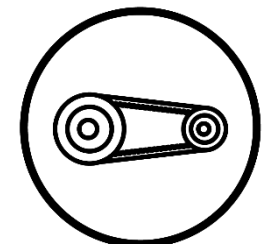


\$10-\$150



~2x Content²

eBike Content 2x, Fitness Equipment
1-2x Auto ICE PT Content



**SIGNIFICANT GROWTH OPPORTUNITY DRIVEN BY UNIQUE VALUE PROPOSITIONS FOR ELECTRIC MOBILITY AND HOME FITNESS
APPLICATIONS: CLEAN, QUIET, LIGHT, EFFICIENT & RELIABLE**



DIVERSIFIED INDUSTRIAL MSD GROWTH OPPORTUNITY

14

RECENT DESIGN WINS



Textile Manufacturing
Equipment (C2B)
India



Machine Tools (FP)
India



Robotics (C2B)
Japan



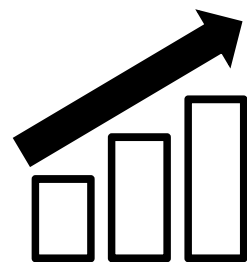
Construction Equipment (FP)
Canada



Landscaping Equipment (B2B)
Europe



Packaging Equipment (C2B)
China



\$200M+ GROWTH

Focused initiatives driving above-market growth to achieve \$200M target in the mid-term

GATES OPPORTUNITIES

Unique value propositions across diverse applications

Energy Efficient

Lightweight

Clean, Quiet & Safe

Maintenance Free

Reliable

Leak Free

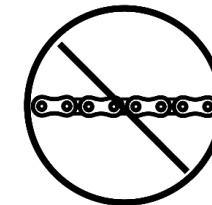
Lightweight

Multi-Application

Flexible

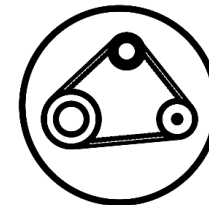
Clean & Safe

CHAIN-TO-BELT
(C2B)



Converting
Industrial Chain
to Belt Drives

BELT-TO-BELT
(B2B)



Innovation-Driven
Gains in Core
Markets

PRECISION
MOTION
CONTROL



Enabling Industrial
Automation &
Logistics

GEOGRAPHIC
EXPANSION



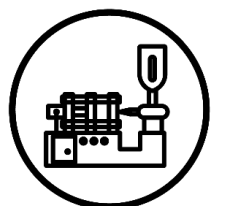
Accelerating
Penetration in Large
International
Markets

PREMIUM
PERFORMANCE



Extending
Performance
Differentiation
through Innovation

APPLICATION
COVERAGE



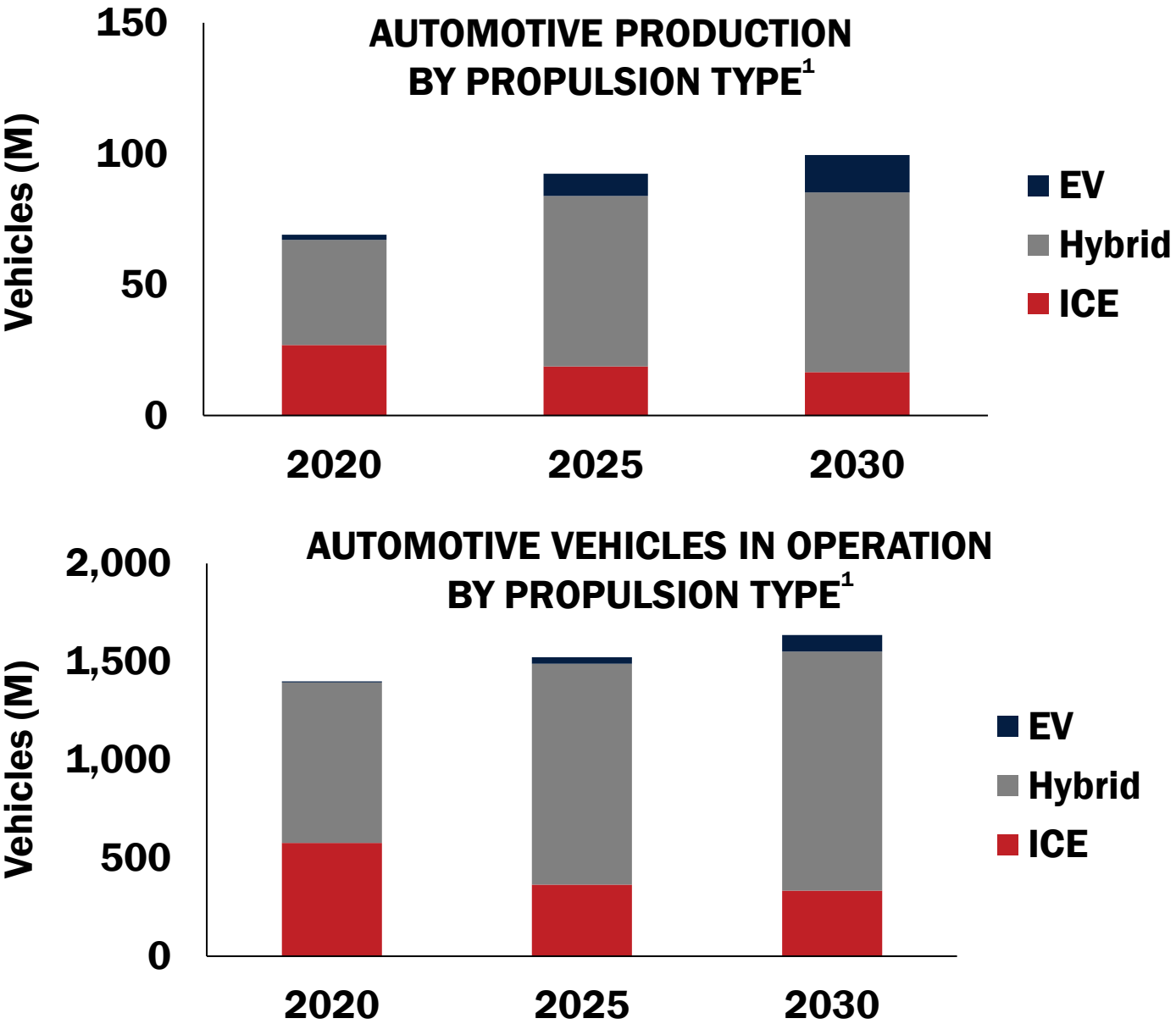
Broadening Product
Portfolio to Enter
New Markets

ABOVE-MARKET GROWTH OPPORTUNITIES COMING FROM NEW PRODUCTS AND COMMERCIAL FOCUS



AUTOMOTIVE ELECTRIFICATION LSD/MSD GROWTH OPPORTUNITY

MARKET DYNAMICS



ADDRESSABLE CONTENT PER VEHICLE²

INTERNAL COMBUSTION ENGINE (ICE)

- Accessory and Timing Drive Systems
- Electric Power Steering & Braking System
- Thermal Management (Hose & Mechanical Water Pump)
- Other Engine Hose (Turbo, Fuel Line, SCR)

\$125

DECREMENTAL ELECTRIC VEHICLE (EV) CONTENT

- Accessory and Timing Drive Systems
- Mechanical Water Pump
- Other Engine Hose (Turbo, Fuel Line, SCR)

- \$100

INCREMENTAL EV CONTENT

- + Electric Water Pumps (Inverter)
- + Electric Water Pumps (Battery)
- + Increased Thermal Management Hose

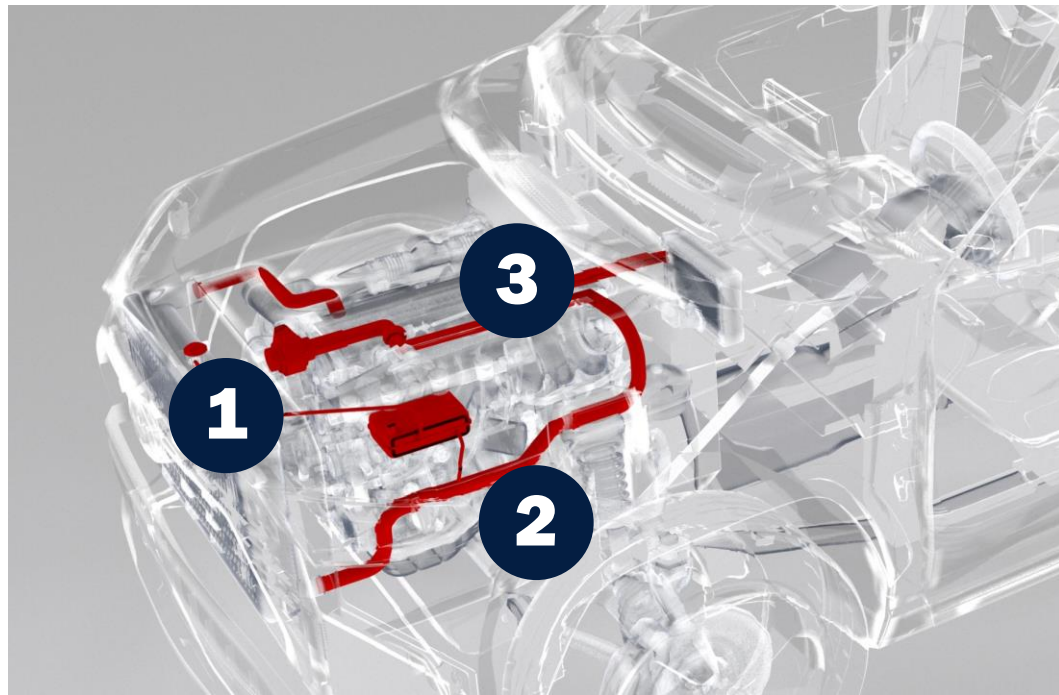
+ \$275

**NET ADDRESSABLE
CONTENT PER VEHICLE**

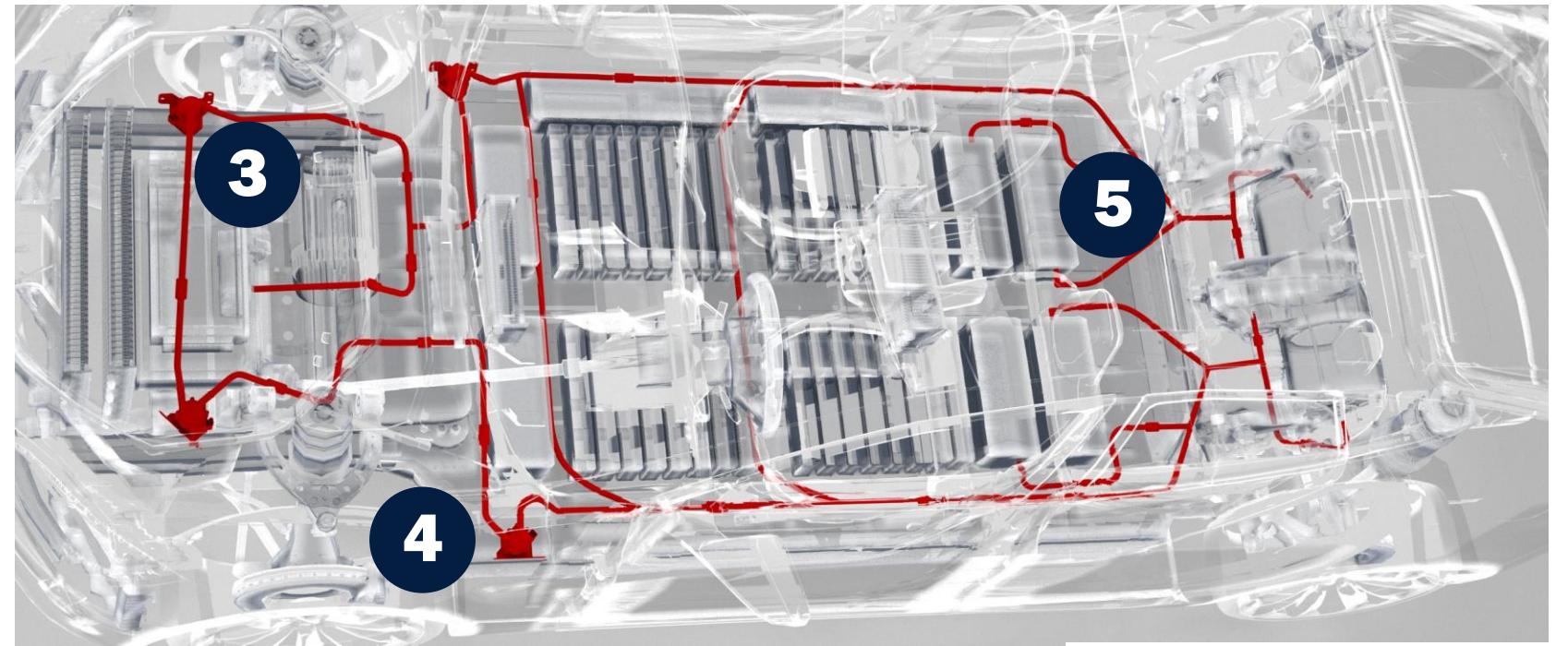
= \$300

**ELECTRIFICATION-DRIVEN PROPULSION MIX SHIFT CREATES LONG-TERM GROWTH OPPORTUNITY FOR GATES
CONTENT PER VEHICLE INCREASES SIGNIFICANTLY**

INTERNAL COMBUSTION (ICE)



FULL ELECTRIC (EV)



**Mechanical Water Pump
Engine Block**

\$8-\$15



**Molded
Coolant Hoses**

\$15-\$28



**Electric Water Pumps Auxiliary
Applications (<100W)**

\$30-\$65



**Electric Water Pumps
Battery/Inverter (>100W)**

\$75-\$135



**Modular/Branched
Hose Assemblies**

\$110-\$230

Estimates for Typical Content Based on Vehicles Observed

**FAVORABLE THERMAL MANAGEMENT CONTENT OPPORTUNITY AS PROPULSION MIX EVOLVES FROM ICE TO FULL-ELECTRIC –
INCREASING COMPONENT COMPLEXITY LEADS TO INCREASING AVERAGE UNIT SALES PRICE**



Q3 2021 – FINANCIAL PERFORMANCE

17

21.1%

Revenue Growth

\$862M of Net Sales

19% core growth year-over-year⁽¹⁾

- MDD growth across industrial end markets, led by Diversified Industrial, Off-Highway and Mobility & Recreation
- HSD growth in Automotive Replacement business more than offset declines in Automotive OE

21.3%

Adjusted EBITDA Margin⁽¹⁾

\$184M of Adjusted EBITDA⁽¹⁾

31% growth year-over-year

- Margin expansion of 160 bps – price, volume and productivity initiatives offsetting inflation & supply chain headwinds
- Incremental margin⁽³⁾ of 29%

\$0.31

Adjusted Earnings per Share⁽²⁾

Year-over-year increase of 19%

- Growth from operating income offset increased tax expense on higher earnings

RECORD THIRD-QUARTER RESULTS AMID CHALLENGING OPERATIONAL BACKDROP

⁽¹⁾ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. See appendix for reconciliations

⁽²⁾ Adjusted Net Income per diluted share. Adjusted earnings per share is a non-GAAP measure. See appendix for reconciliation

⁽³⁾ Incremental margin is calculated as the change in Adjusted EBITDA vs. the prior-year period divided by the change in revenue vs. the prior-year period



\$309M

LTM Free Cash Flow

Solid Free Cash Flow while investing to support exceptionally strong growth

- Q3 Free Cash Flow growth of 116% vs. prior year, Cash conversion on Adjusted Net Income of 89%
- Year-over-year improvement of 250 bps in trade working capital as a percentage of LTM sales

2.7x

Net Leverage

Net Leverage within targeted mid-term range of 2.0x - 3.0x

- Cash generation and Adjusted EBITDA growth driving continued reduction in Net Leverage
- Year-over-year improvement of 2.1x

22.1%

ROIC

ROIC improving towards mid-20% range

- Increase of 790 bps compared to prior-year Q3
- Higher operating income offset increased investment to fund growth

ACCELERATED DELEVERAGING & STRONG FREE CASH FLOW GENERATION PROVIDE INCREASED OPTIONALITY

Notes: LTM Free Cash Flow: Net Cash Provided by Operations minus capital expenditures for the last twelve months; Free Cash Flow Conversion shown as % of 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, deferred tax assets, taxes receivable and intangibles related to 2014 acquisition of Gates



FULL YEAR 2021

CORE REVENUE GROWTH

20.0% – 22.0%

ADJUSTED EBITDA MARGIN

21.0% – 21.5%

CAPITAL EXPENDITURES

(USD IN MILLIONS)

~\$100

FREE CASH FLOW CONVERSION

> 80%

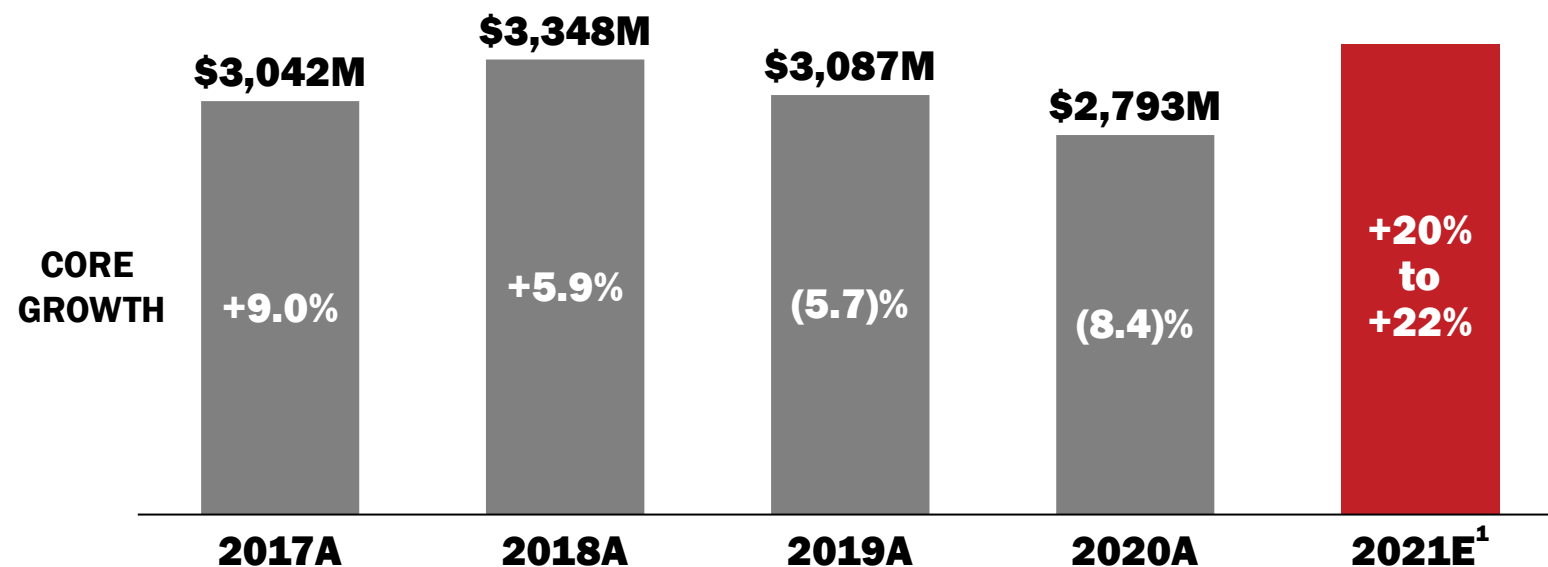
- **Core Revenue maintained at 20% to 22%, reflecting strong organic growth**
- **Adjusted EBITDA margin updated to reflect higher cost expectations**
 - Full-year Adjusted EBITDA margin expansion of over 300 bps, incremental margin in mid-30% range
 - Higher costs driven by inflation, logistics and operational inefficiencies
 - Focus continues to be on maintaining excellent customer service amid significant supply chain disruptions
- **Expect to be price/cost neutral in 2021, as well as in 2022**
- **Anticipate transitioning to Adjusted EPS guidance in 2022**



TRACK RECORD

- Core growth in 2017 and 2018 led by industrial end markets
- 2019 impacted by trade uncertainty and resulting destocking
- Significant rebound in H2 2020 from COVID-19 impact
- Substantial above-market core growth expected in 2021, driven by growth initiatives and new products

REVENUE



MID-TERM TARGETS

- Consistent above-market growth
- Maintain >60% replacement channel mix
- Continued growth in larger industrial end markets

KEY INITIATIVES

- Chain-to-belt
 - Industrial chain-to-belt conversion
 - Focused execution of thermoplastic polyurethane (TPU) commercial strategy
 - Mobility & recreation market penetration
- Hydraulics expansion
- Emerging markets

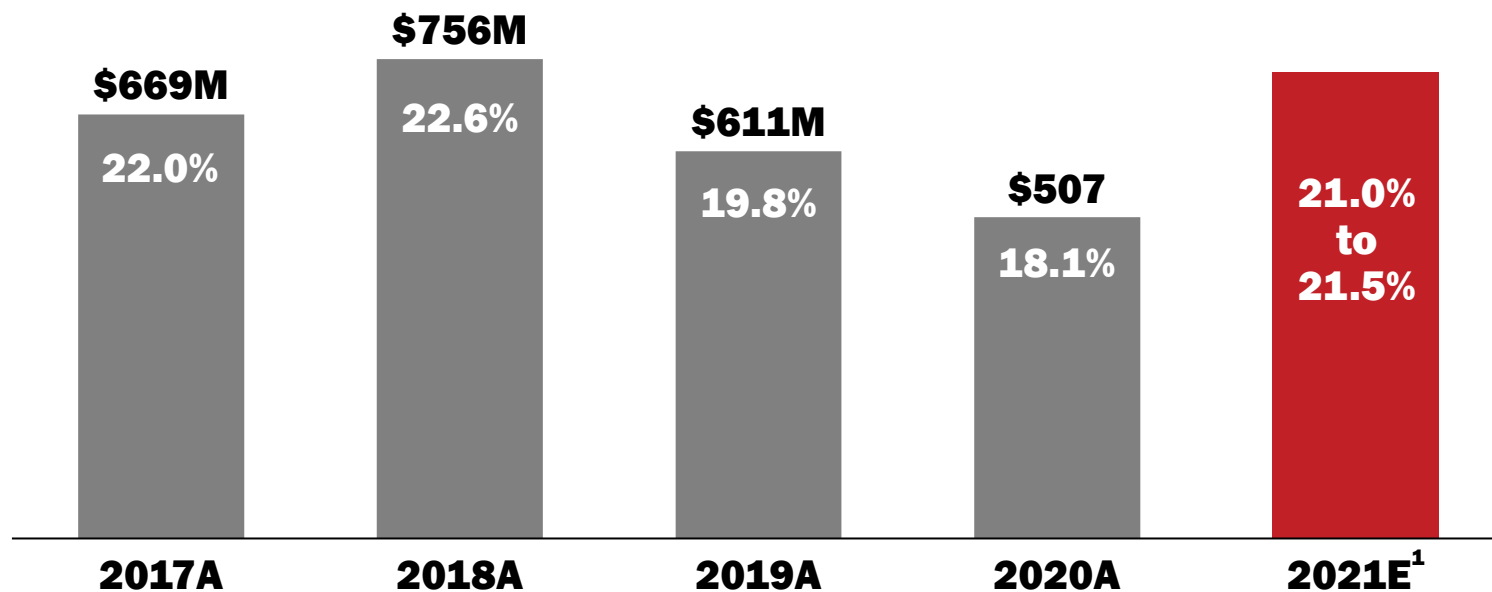
MAINTAIN SUSTAINABLE AND PROFITABLE LONG-TERM GROWTH PROFILE



TRACK RECORD

- Demonstrated ability to expand margins
- 2019 headwinds from destocking and lower volume, as well as addition of new manufacturing facilities
- Solid decremental margins in 2020 despite large volume decline
- Supporting significant increase in volume in 2021 while delivering strong incremental margins

ADJUSTED EBITDA



MID-TERM TARGET

- 24%+ Adjusted EBITDA margin

KEY INITIATIVES

- VA/VE initiatives to optimize performance and cost
- New products with more efficient manufacturing processes
- Pricing actions to offset inflation
- Capitalize on operating leverage
- GPS drives continuous improvement in manufacturing

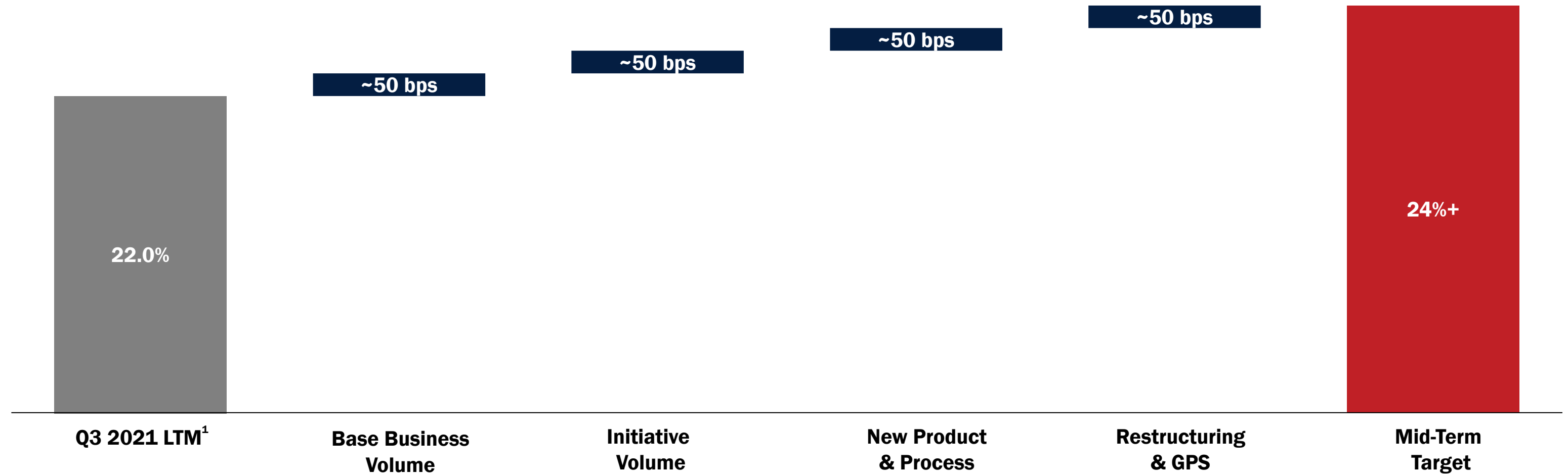
DEMONSTRATED ABILITY TO EXPAND ADJUSTED EBITDA MARGIN



ADJUSTED EBITDA – MARGIN EXPANSION OPPORTUNITY

22

- Investments in new products and process innovation drive margin improvement
- GPS improvements, new facilities and improved operational footprint accelerate expansion as volume returns
- Ongoing restructuring activities continue to deliver operational savings



SIGNIFICANT RUNWAY FOR MARGIN EXPANSION OVER THE MID-TERM

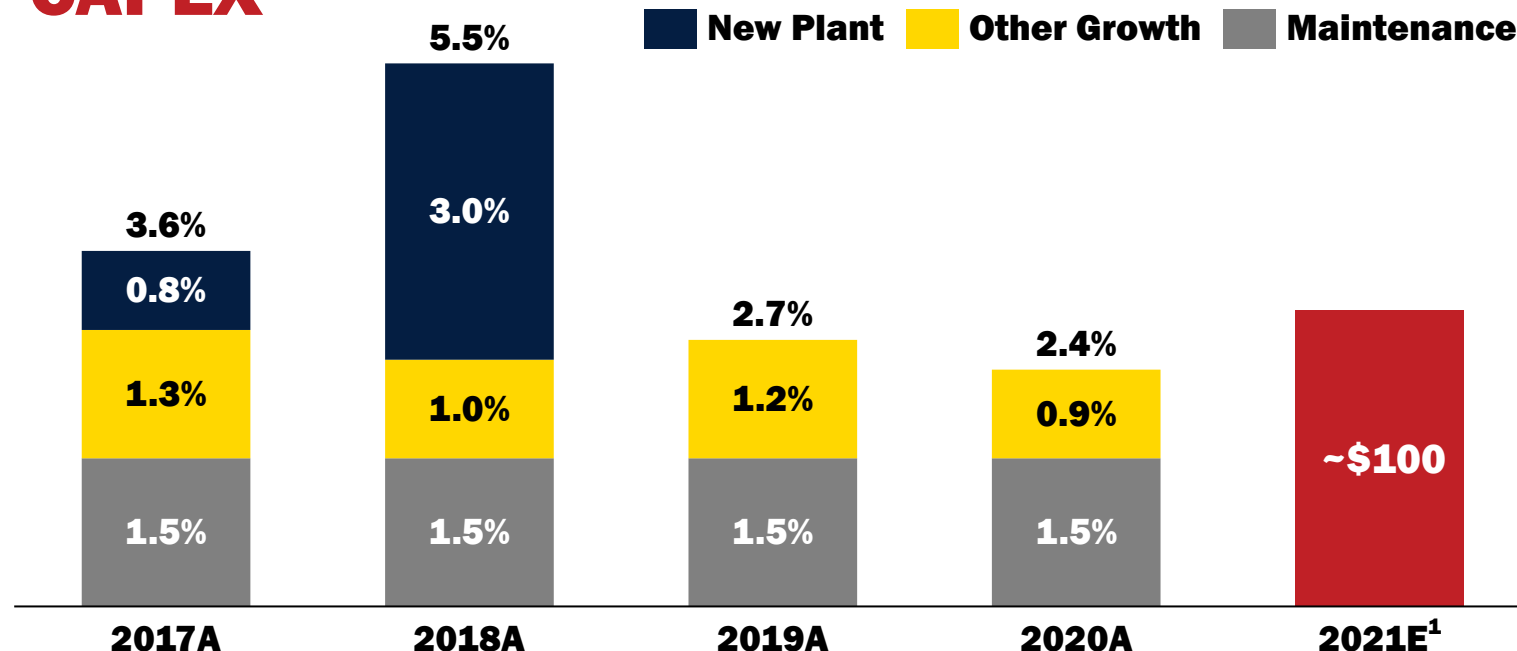


TRACK RECORD

- Maintenance capex historically ~1.5% of sales, growth capex ~1.5% of sales
- Large investment in new capacity behind us – elevated capex in 2017 & 2018 reflects construction of new plants
- Returns on invested capital typically > 20%

CAPEX

■ New Plant ■ Other Growth ■ Maintenance



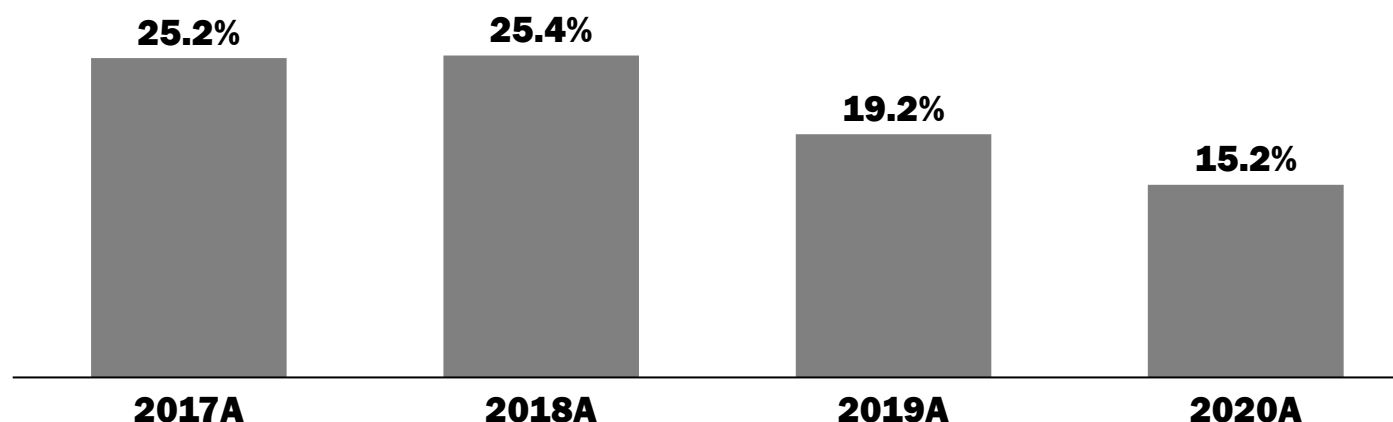
MID-TERM TARGETS

- Prioritization of investment in largest end markets
- ROIC > 20%

KEY INITIATIVES

- Support rollout of new technologies
- Upgrading manufacturing processes
- Digital capabilities to support growth

ROIC²



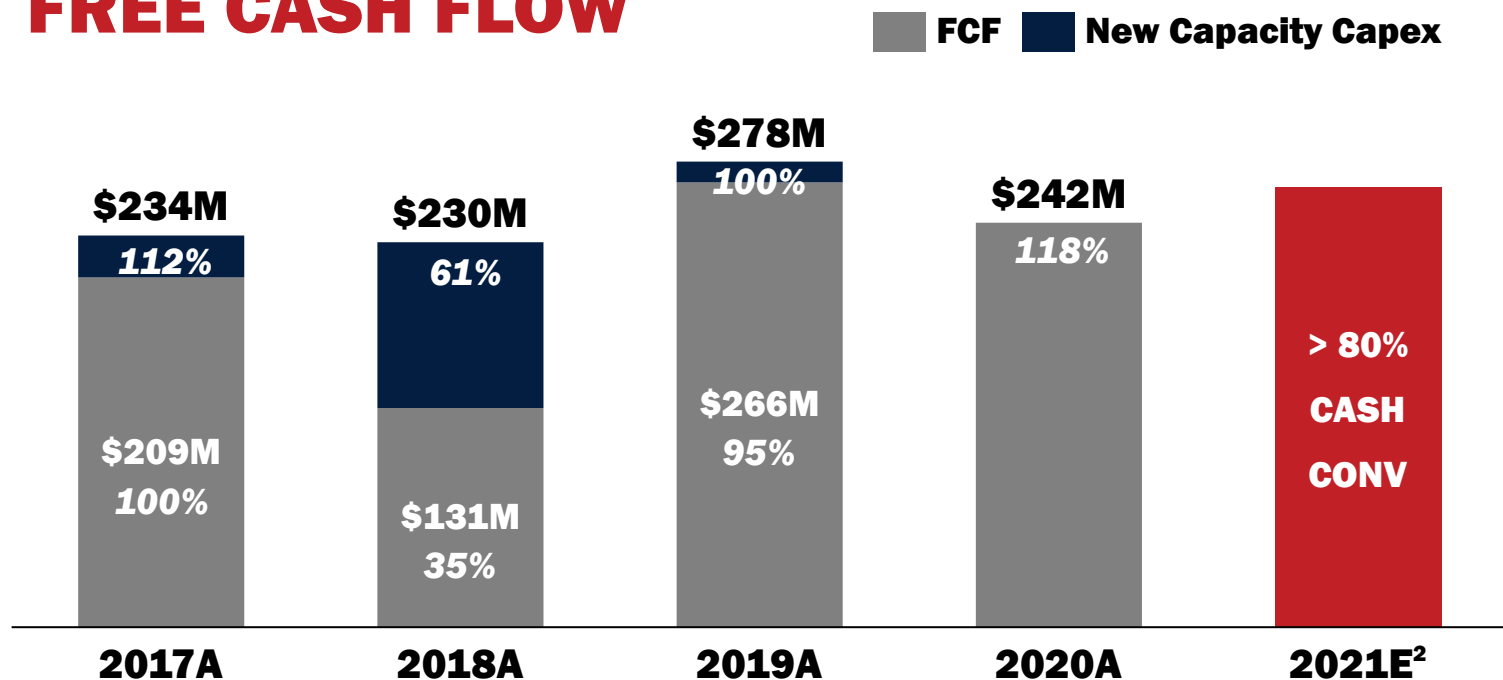
REINVESTING IN DIVERSE SET OF INITIATIVES TO DRIVE ORGANIC GROWTH



TRACK RECORD

- Significant Free Cash Flow generation
- Demonstrated through periods of significant growth, as well as downturns

FREE CASH FLOW¹



MID-TERM TARGETS

- Consistent 100% Free Cash Flow conversion
- Continued working capital improvement

KEY INITIATIVES

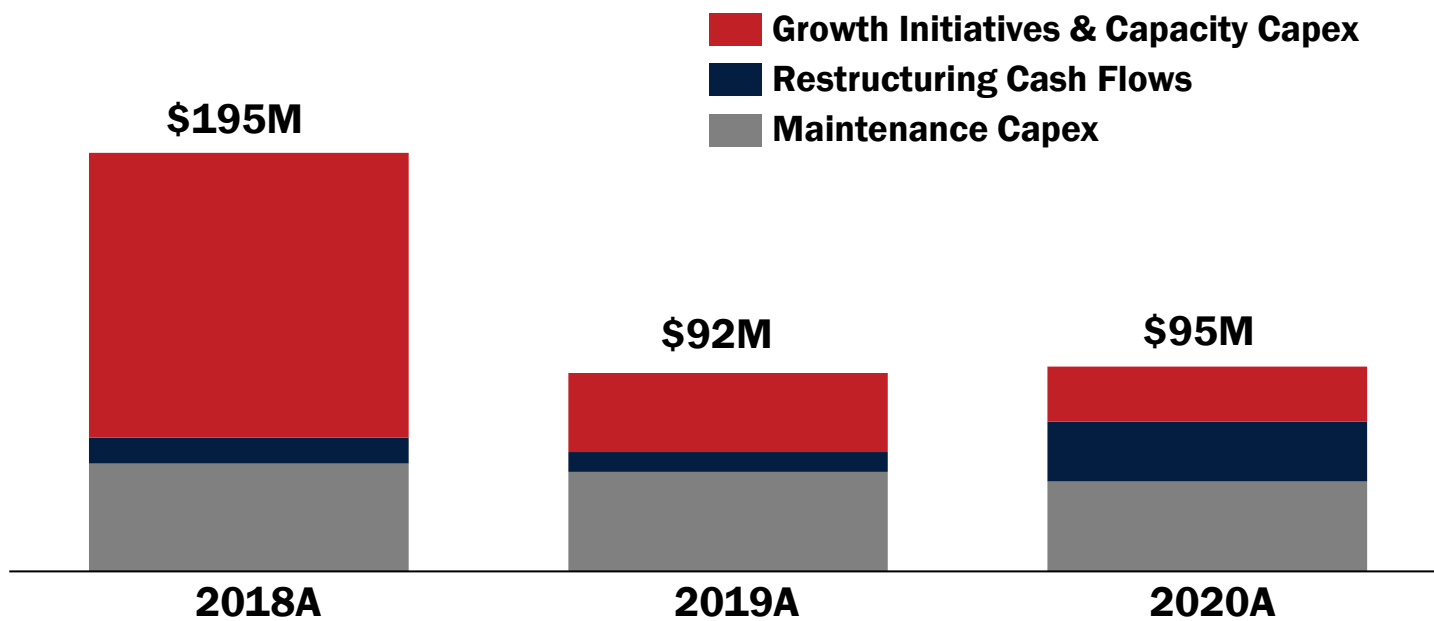
- Operating efficiency to reduce working capital requirements
- Tax efficiency

CHARACTERISTICS OF BUSINESS RESULT IN STRONG THROUGH-THE-CYCLE CASH GENERATION



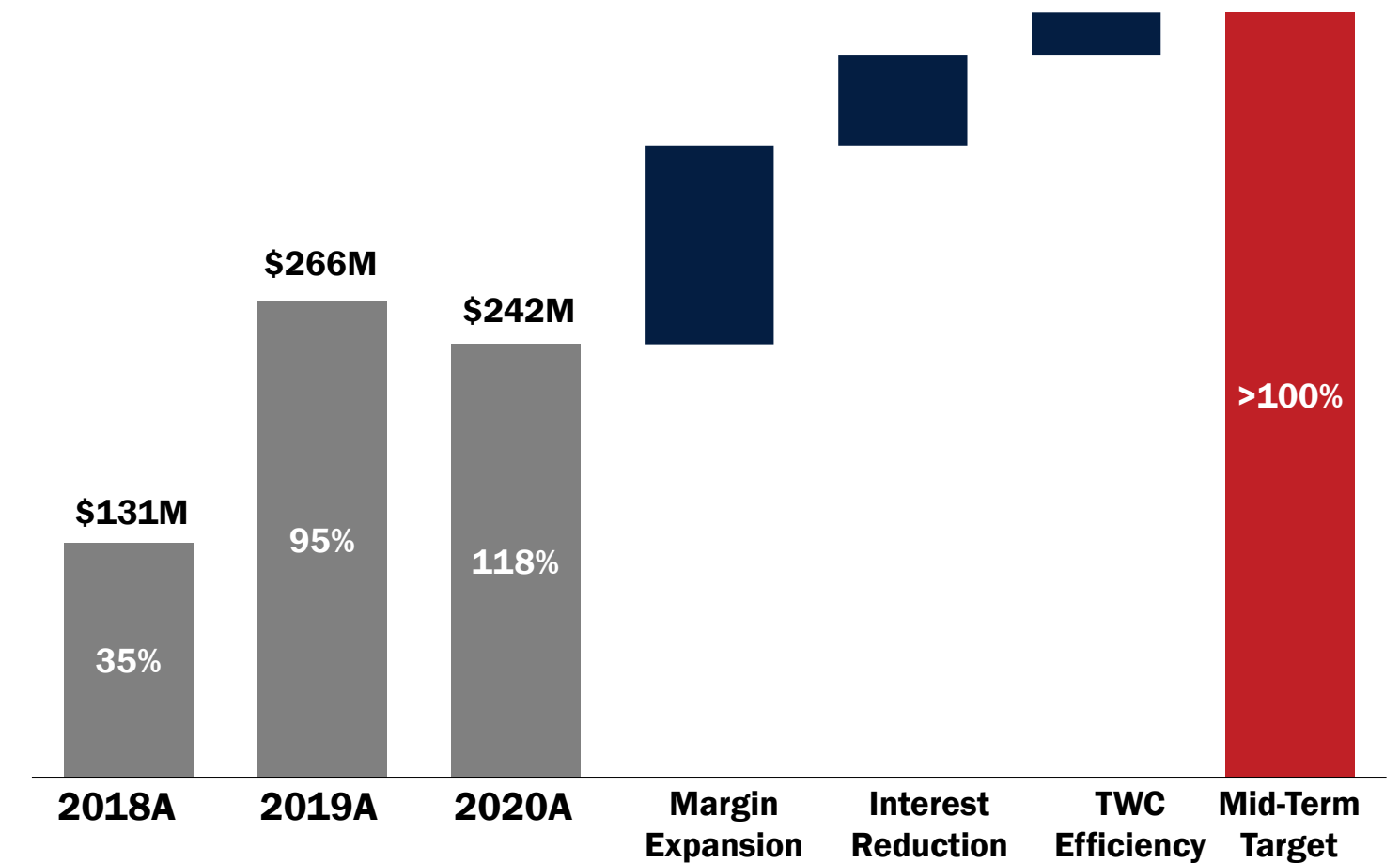
CAPEX & RESTRUCTURING

- Major growth capacity investments already in place
- Accelerated restructuring in 2020
- Expect to operate at normalized capex run-rate of ~3%



FREE CASH FLOW

- Adjusted EBITDA margin expansion
- Interest expense reduction
- No major cash outlays expected in mid-term

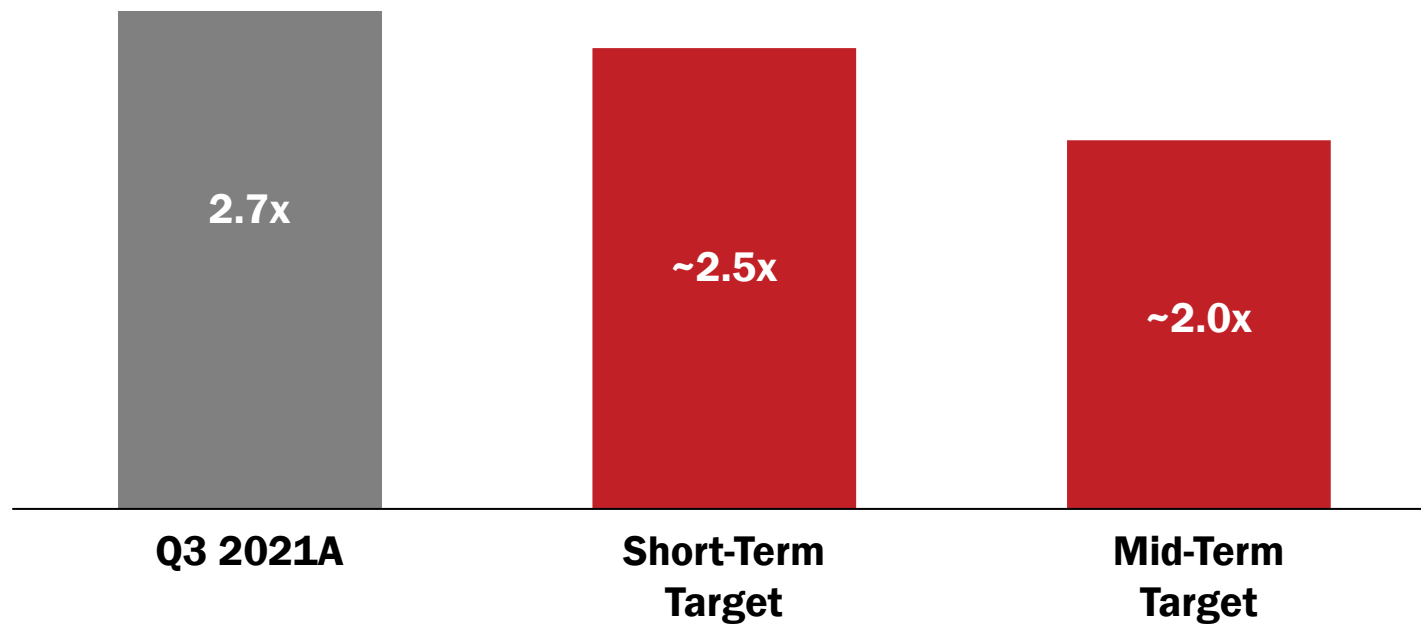


MAJOR GROWTH INVESTMENTS IN PLACE – STRONG CASH FLOW GENERATION THROUGH THE CYCLE

DELEVERING THE BUSINESS

- Adjusted EBITDA margin expansion
- Strong liquidity & cash generation enabling debt reduction
- Net leverage approaching 2.5x

NET LEVERAGE¹

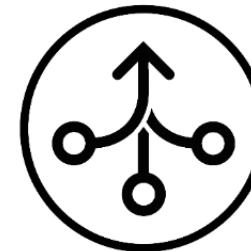


CAPITAL DEPLOYMENT OPTIONS



ORGANIC GROWTH

- Continued investment in long-term growth
- Prioritize capital projects with high return on invested capital



M&A GROWTH

- Large, fragmented markets
- Add technology, product lines or regional scale
- Foundation in place to generate synergies



RETURN CAPITAL TO SHAREHOLDERS

REDUCED NET LEVERAGE PROVIDES ADDITIONAL BALANCE SHEET OPTIONALITY



ATTRACTIVE MARKET OPPORTUNITY

- Large, Fragmented Markets, with Secular Tailwinds
- Electrification, Industrial Automation, Logistics, eCommerce, Infrastructure Build-Out, Mobility, Sustainability & Efficiency

WELL-POSITIONED TO DRIVE GROWTH

- Investments in Place – Innovation Creating New Market Opportunities
- Initiatives Delivering Above-Market Growth
- M&A as a Growth Accelerator

DIFFERENTIATED BUSINESS MODEL

- Leader with Globally Recognized Brand across Diverse End Markets
- Highly Engineered Products with Natural Product Replacement Cycles
- In-Region/For-Region Presence – Well-Established Global Channels

ATTRACTIVE FINANCIAL PROFILE

- Growing Top Line and Expanding Margins
- Generating Strong Free Cash Flow
- Strengthened Balance Sheet Provides Optionality



APPENDIX





RECONCILIATIONS – ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

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(USD in millions)

Reconciliation to Adjusted EBITDA

	Q3 2021	Q3 2020	LTM Q3 2021	LTM Q3 2020	FY 2020	FY 2019	FY 2018	FY 2017
Net Income from Continuing Operations	\$ 78.2	\$ 45.7	\$ 292.6	\$ 83.2	\$ 90.3	\$ 694.7	\$ 271.7	\$ 182.0
<i>Adjusted for:</i>								
Income tax expense (benefit)	17.3	(16.0)	60.0	(29.6)	(19.3)	(495.9)	\$ 31.8	(72.5)
Net interest and other expenses	35.0	34.2	141.0	140.1	140.1	148.0	\$ 193.3	293.4
Depreciation and amortization	54.7	53.6	222.8	218.0	218.6	222.2	\$ 218.5	212.2
Transaction-related expenses	0.2	5.4	2.8	7.1	5.2	2.6	\$ 6.7	18.1
Asset impairments	-	1.4	0.1	5.1	5.2	0.7	\$ 0.6	2.8
Restructuring expenses	1.9	7.3	19.4	28.5	37.3	6.0	\$ 6.4	17.4
Share-based compensation expense	5.7	4.9	24.8	18.0	19.8	15.0	\$ 6.0	5.4
Sponsor fees (included in other operating expenses)	-	0.2	-	3.5	1.9	6.5	\$ 8.0	6.7
Inventory impairments and adjustments (included in cost of sales)	-	-	0.1	1.3	1.4	1.2	\$ 1.5	3.2
Duplicate expenses incurred on facility relocation	-	-	-	-	-	-	\$ 5.2	-
Severance expenses (included in cost of sales)	-	0.3	0.1	1.9	1.0	4.0	\$ 1.7	-
Other primarily severance expenses (included in SG&A)	0.2	3.0	4.7	4.2	8.0	3.4	\$ 4.4	-
Other items not directly related to current operations ⁽¹⁾	(9.3)	-	(9.6)	(2.2)	(2.9)	2.6	\$ -	0.4
Adjusted EBITDA	\$ 183.9	\$ 140.0	\$ 758.8	\$ 479.1	\$ 506.6	\$ 611.0	\$ 755.8	\$ 669.1

Adjusted EBITDA margin

Net Sales	\$ 862.4	\$ 712.2	\$ 3,453.0	\$ 2,724.5	\$ 2,793.0	\$ 3,087.1	\$ 3,347.6	\$ 3,041.7
Adjusted EBITDA	\$ 183.9	\$ 140.0	\$ 758.8	\$ 479.1	\$ 506.6	\$ 611.0	\$ 755.8	\$ 669.1
Adjusted EBITDA margin	21.3%	19.7%	22.0%	17.6%	18.1%	19.8%	22.6%	22.0%

Reconciliation to Net Leverage

Total principal amount of debt	\$ 2,596.7	\$ 2,994.6
Less: Cash and cash equivalents	540.6	672.3
Net Debt	\$ 2,056.1	\$ 2,322.3

Net Leverage (Net Debt divided by LTM Adjusted EBITDA)

2.7 x 4.8 x

1. During the three and twelve months ended October 2, 2021, other items not directly related to current operations included a \$9.3 million net gain on the sale of a purchase option on a building that we lease in Europe.



RECONCILIATIONS – ADJUSTED NET INCOME

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

Reconciliation to Adjusted Net Income

	Q3 2021	Q3 2020	LTM Q3 2021	LTM Q3 2020	FY 2020	FY2019	FY 2018	FY 2017
Net Income Attributable to Shareholders	\$ 70.2	\$ 41.9	\$ 258.7	\$ 74.5	\$ 79.4	\$ 690.1	\$ 245.3	\$ 151.3
<i>Adjusted for:</i>								
Loss (gain) on disposal of discontinued operations	0.2	0.1	(0.1)	0.3	0.3	0.6	0.6	(0.7)
Amortization of intangible assets arising from the 2014 acquisition of Gates	29.9	29.5	120.4	117.0	117.5	118.2	120.3	124.2
Transaction-related expenses	0.2	5.4	2.8	7.1	5.2	2.6	6.7	18.1
Asset impairments	-	1.4	0.1	5.1	5.2	0.7	0.6	2.8
Restructuring expenses	1.9	7.3	19.4	28.5	37.3	6.0	6.4	17.4
Share-based compensation expense	5.7	4.9	24.8	18.0	19.8	15.0	6.0	5.4
Sponsor fees (included in other operating expenses)	-	0.2	-	3.5	1.9	6.5	8.0	6.7
Inventory impairments and adjustments (included in cost of sales)	-	-	0.1	1.3	1.4	1.2	1.5	3.2
Adjustments relating to post-retirement benefits	(1.2)	(1.4)	(5.4)	(3.2)	(4.5)	(3.2)	3.1	2.5
Premium on redemption of long-term debt	-	-	-	-	-	-	27.0	-
Financing-related FX losses (gains)	3.6	(2.1)	3.8	(3.8)	(5.3)	(0.8)	(8.8)	61.2
One-time deferred tax benefit from U.S. tax reform	-	-	-	-	-	-	-	(118.2)
One-time net tax benefit	-	-	-	-	-	(513.0)	-	-
One-time non-controlling interest adjustment	-	-	-	-	-	(15.0)	-	-
Other adjustments ⁽¹⁾	(11.6)	0.8	(14.1)	(14.0)	(11.5)	1.6	0.8	(10.5)
Estimated tax effect of the above adjustments	(6.9)	(12.2)	(37.4)	(31.0)	(42.2)	(31.2)	(38.3)	(53.9)
Adjusted Net Income	\$ 92.0	\$ 75.8	\$ 373.1	\$ 203.3	\$ 204.5	\$ 279.3	\$ 379.2	\$ 209.5
Diluted weighted average number of shares outstanding	299,683,289	292,441,599			292,115,964	291,627,461	291,698,273	250,490,828
Adjusted Net Income per diluted share	\$ 0.31	\$ 0.26			\$ 0.70	\$ 0.96	\$ 1.30	\$ 0.84

1. During the three and twelve months ended October 2, 2021, other adjustments included a \$9.3 million net gain on the sale of a purchase option on a building that we lease in Europe. During the twelve months ended September 26, 2020 and the year ended January 2, 2021, other adjustments included \$17.9 million and \$17.7 million, respectively, in relation to the non-controlling interest share of the adjustments above, primarily restructuring expenses incurred in relation to the closure of our manufacturing facility in Korea.



RECONCILIATIONS – FREE CASH FLOW AND FREE CASH FLOW CONVERSION

(USD in millions)

Reconciliation of Free Cash Flow

	Q3 2021	Q3 2020	LTM Q3 2021	LTM Q3 2020	FY 2020	FY 2019	FY 2018	FY 2017
Net Cash Provided By Operating Activities	\$ 101.7	\$ 55.9	\$ 395.0	\$ 331.2	\$ 309.0	\$ 348.9	\$ 313.5	\$ 319.9
Capital Expenditures ⁽¹⁾	(20.0)	(18.0)	(85.8)	(70.2)	\$ (67.4)	\$ (83.1)	\$ (182.7)	\$ (111.1)
Free Cash Flow	\$ 81.7	\$ 37.9	\$ 309.2	\$ 261.0	\$ 241.6	\$ 265.8	\$ 130.8	\$ 208.8

(USD in millions)

Reconciliation of Free Cash Flow Conversion

	Q3 2021	Q3 2020	LTM Q3 2021	LTM Q3 2020	FY 2020	FY 2019	FY 2018	FY 2017
Free Cash Flow	\$ 81.7	\$ 37.9	\$ 309.2	\$ 261.0	\$ 241.6	\$ 265.8	\$ 130.8	\$ 208.8
Adjusted Net Income	\$ 92.0	\$ 75.8	\$ 373.1	\$ 203.3	\$ 204.5	\$ 279.3	\$ 379.2	\$ 209.5
Free Cash Flow Conversion	88.8%	50.0%	82.9%	128.4%	118.1%	95.2%	34.5%	99.7%



RECONCILIATIONS – RETURN ON INVESTED CAPITAL (ROIC)

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(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

Accounts payable

Intangibles arising from the acquisition of Gates

Invested Capital

Return On Invested Capital

	Q3 2021	Q3 2020	FY 2020	FY 2019	FY 2018	FY 2017
LTM Adjusted EBITDA	\$ 758.8	\$ 479.1	\$ 506.6	\$ 611.0	\$ 755.8	\$ 669.1
LTM Total depreciation and amortization	(222.8)	(218.0)	(218.6)	(222.2)	(218.5)	(212.2)
LTM Amortization of intangible assets arising from the 2014 acquisition of Gates	120.4	117.0	117.5	118.2	120.3	124.2
LTM Adjusted EBIT	656.4	378.1	405.5	507.0	657.6	581.1
Notional tax at 25%	(164.1)	(94.5)	(101.4)	(126.8)	(164.4)	(145.3)
LTM Tax-effected Adjusted EBIT	\$ 492.3	\$ 283.6	\$ 304.1	\$ 380.2	\$ 493.2	\$ 435.8
 Total Assets	 \$ 7,506.0	 \$ 7,335.7	 \$ 7,426.3	 \$ 7,411.3	 \$ 6,722.6	 \$ 6,853.7
Adjusted for:						
Cash	(540.6)	(672.3)	(521.4)	(635.3)	(423.4)	(564.4)
Taxes receivable	(54.2)	(53.9)	(55.1)	(45.1)	(35.1)	(46.8)
Deferred tax assets	(624.0)	(620.4)	(672.6)	(587.1)	(5.1)	(5.8)
Accounts payable	(459.5)	(339.4)	(417.4)	(374.7)	(424.0)	(392.0)
Intangibles arising from the acquisition of Gates	(3,601.1)	(3,652.8)	(3,755.7)	(3,788.8)	(3,890.4)	(4,114.5)
Invested Capital	\$ 2,226.6	\$ 1,996.9	\$ 2,004.1	\$ 1,980.3	\$ 1,944.6	\$ 1,730.2
 Return On Invested Capital	 22.1%	 14.2%	 15.2%	 19.2%	 25.4%	 25.2%