GATES INDUSTRIAL CORPORATION

IVO JUREK, CEO

NOVEMBER 10, 2021

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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.

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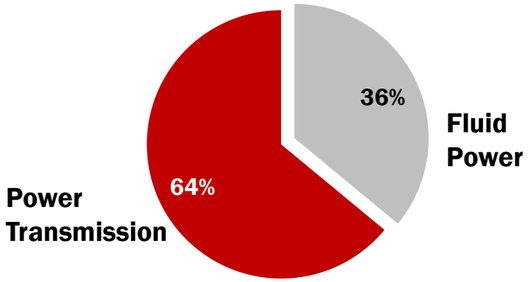
GATES AT A GLANCE

COMPANY STATS

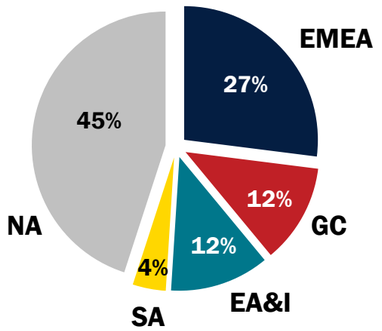
- **Founded** 1911
- **Locations** 120+
- **Factories** 48
- **Employees** 14,000+
- **Engineers** 750+
- **Countries Served** 120+
- **Distributor Locations** 100,000+

Q3 2021 LTM REVENUE: $3.45B

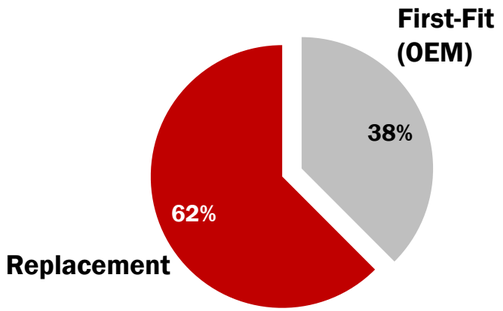
SEGMENT



GEOGRAPHY



CHANNEL



- Broad portfolio of highly engineered products
- In-Region/For-Region Presence
- Natural replacement cycles of mission critical products
- Eco-innovation provides our customers sustainability benefits
- Large and fragmented global markets
- Premium brand across channels and regions

PREMIUM INDUSTRIAL COMPANY WITH STRONG GLOBAL PRESENCE AND REPLACEMENT CHANNEL REVENUE MIX

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PRODUCT SEGMENT OVERVIEW

POWER TRANSMISSION: $2.2B[1]



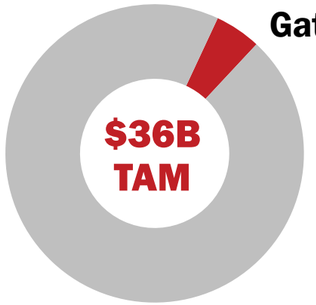
PRODUCTS

- Timing & Synchronous Belts
- V-Belts, CVT & Micro-V Belts
- Thermoplastic Polyurethane (TPU) Positioning & Conveyance Belts
- Metal Drive Components

- Energy Efficient
- Lightweight
- Clean, Quiet and Safe
- Maintenance Free
- Reliable

GROWTH OPPORTUNITIES

- Chain-to-Belt & Belt-to-Belt
- Mobility & Recreation
- Precision Motion Control & Conveyance



FLUID POWER: $1.2B[1]



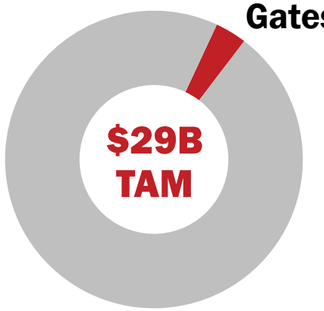
PRODUCTS

- Hydraulic Hose, Tubing and Assemblies
- Engine Hose
- Industrial Fluid Conveyance Hose
- Couplings and Adapters

- Leak Free
- Lightweight
- Flexible
- Multi-Application
- Clean and Safe

GROWTH OPPORTUNITIES

- Geographic Expansion
- EV Thermal Management
- Stationary Industrial Applications












TWO GLOBAL SEGMENTS WITH CRITICAL SCALE SERVING SIMILAR CHANNELS, CUSTOMERS AND END MARKETS
80% OF REVENUE COMES FROM TOP-3 MARKET POSITIONS

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1. Q3 2021 LTM Net Sales

END MARKETS – Q3 2021 YTD NET SALES

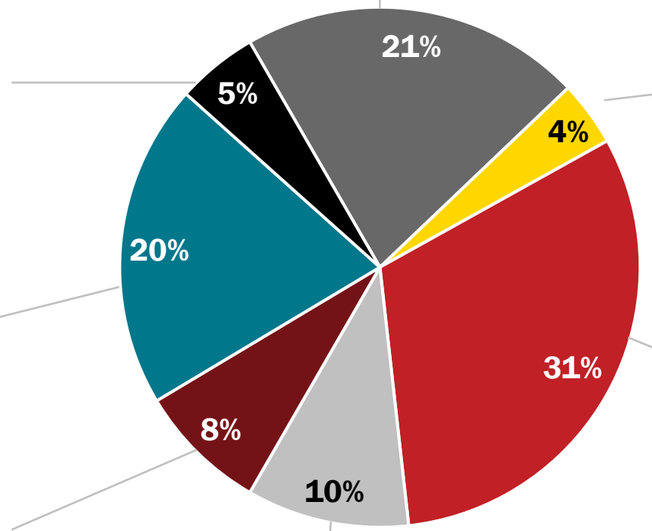






DIVERSIFIED INDUSTRIAL

- 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

AUTO OEM

- Passenger Vehicles
- Light Commercial Vehicles

MOBILITY & RECREATION

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

AUTO REPLACEMENT

- Independent Repair Shops
- eCommerce
- Dealer Service







ATTRACTIVE AND DIVERSE SET OF END MARKETS
WITH STRONG SECULAR TRENDS SUCH AS ENVIRONMENTAL SUSTAINABILITY, INDUSTRIAL AUTOMATION AND ELECTRIFICATION

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TARGET GROWTH MODEL

MARKET GROWTH



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

INDUSTRIAL MARKET

+

INITIATIVE GROWTH

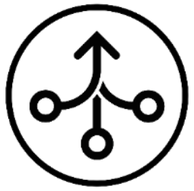


- New Product Innovation
- Geographic Expansion
- Large Organic Initiatives

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 PEERS[1] OVER THE PAST SEVERAL INDUSTRIAL CYCLES & HAS INVESTMENTS IN PLACE TO DRIVE CONTINUED ORGANIC GROWTH; STRENGTHENING BALANCE SHEET SUPPORTS M&A OPTIONALITY

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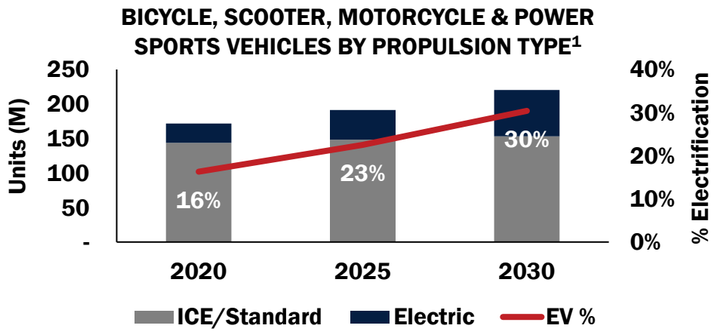
1. Mean Core Growth of Premium Industrial Peers including EMR, ETN, GDI, GGG, IEX, ITW, MMM, PH, ROK, DCI and NDSN. Data based on information in publicly available company filings and presentations, including data aggregated by third-party source FactSet

KEY GROWTH INITIATIVES

MOBILITY & RECREATION



Clean
Quiet
Lightweight
Efficient
Reliable

Bike/eBike | Fitness | Power Sports





$10-$200 Content

Up to 2X Content vs. Auto ICE Power Transmission Content/Vehicle[2]

DIVERSIFIED INDUSTRIAL



- **Diversified end markets and applications**
- **Large OEM, replacement channel and end-user universe**

Low-Maintenance
Lightweight
Clean & Safe
Leak Free
Efficient
Reliable

Chain-to-Belt | Precision Motion Control | Belt-to-Belt

Geographic Expansion | Premium Performance | Application Coverage

$200M+ Growth

New products and commercial focus driving above market growth in the mid-term

VEHICLE ELECTRIFICATION

ADRESSABLE CONTENT PER VEHICLE

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**

>2x Content

Available content vs. traditional ICE passenger vehicles; EV thermal management complexity continues to increase[2]

ORGANIC INITIATIVES PROVIDE FOUNDATION TO DELIVER MEANINGFUL GROWTH OVER THE MID-TERM

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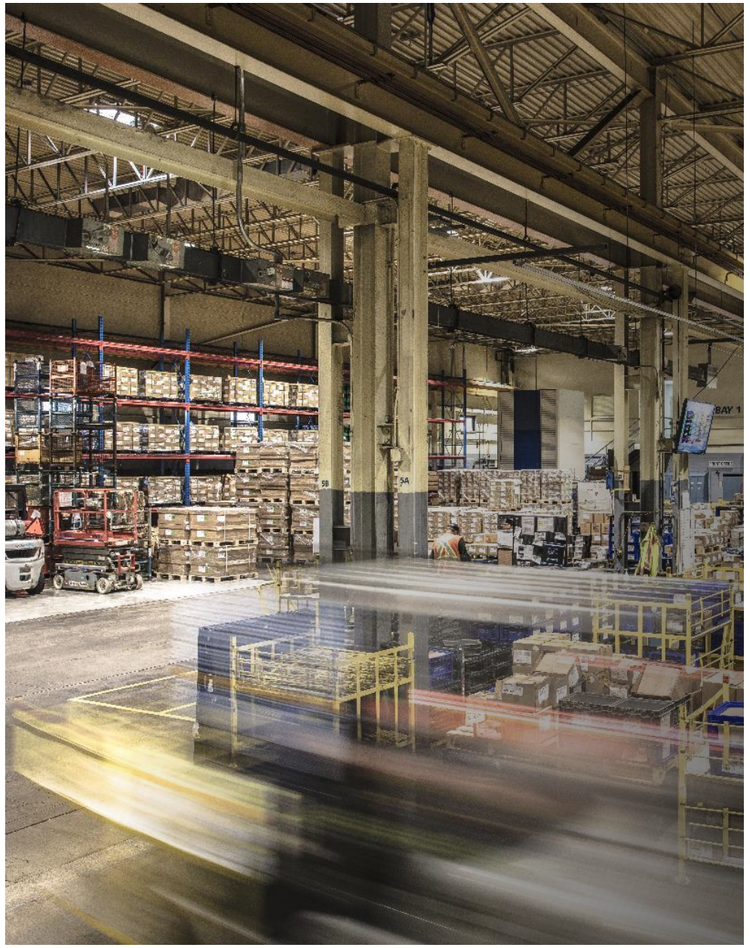
1. bike-eu.com, South China Morning Post, businessinsider.com, alliedmarketresearch.com, inkwoodresearch.com and Management Estimates 2021
2. Management Estimates 2021 based on representative vehicle content

INVESTMENT HIGHLIGHTS

- **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**



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