



INVESTOR DAY

MARCH 8, 2022





FORWARD-LOOKING STATEMENTS

This presentation contains, and management may make at our event 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 organic and inorganic growth and margin improvement), expectations regarding margin headwinds (including inflation, supply chain, logistical and labor challenges, and operational inefficiencies) and the success of related pricing actions, the robust demand environment (including strong order intake trends and pipeline of opportunities), liquidity and capital resources including deleveraging and our capital allocation flexibility, M&A as a growth accelerator, productivity and product innovation and initiatives, portfolio optimization including the continuing shift towards higher-growth markets and anticipated content uplift, secular trends and expected market opportunities, and statements regarding the impact of and the recovery from the COVID-19 pandemic, and the Company's mid-term targets and outlook for 2022. Such forward-looking statements are subject to various risks and uncertainties, including, among others, the volatility and uncertainties relating to the impact of geopolitical events including war, 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 material and logistics availability, 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 1, 2022, 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 update or supplement any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

MARKET AND INDUSTRY DATA

This presentation includes market and industry data and forecasts that we have derived from independent consultant reports, publicly available information, various industry publications, other published industry sources as well as our internal data and estimates. Although we believe that the third-party sources we referred to are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified such information. In addition, some market, ranking and industry data are also based on our good faith estimates, which are derived from management's knowledge of our industry as well as third party sources.

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.



TODAY'S PRESENTERS

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IVO JUREK

Chief Executive Officer



TOM PITSTICK

Chief Marketing Officer



WALT LIFSEY

Chief Operating Officer



BROOKS MALLARD

Chief Financial Officer





AGENDA

4



2:00 PM	Welcome	Bill Waelke – VP, Investor Relations
	Strategic Overview	Ivo Jurek – CEO
	Growth	Tom Pitstick – CMO
	Technology Showcase	
	A. Industrial Innovation	
	B. Personal Mobility	
	C. Electric Vehicles	
	Operational Excellence	Walt Lifsey – COO
	Financial Overview	Brooks Mallard – CFO
	Closing Remarks	Ivo Jurek – CEO
	Q&A	
5:00 PM	Cocktail Hour	



STRATEGIC OVERVIEW

IVO JUREK
CEO





KEY MESSAGES FOR TODAY

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WHO WE ARE

- Gates provides highly-engineered industrial components, performing mission-critical functions, with natural replacement cycles

GROWTH OPPORTUNITY

- Large markets with strong secular tailwinds – industrial automation, electrification of mobility, eCommerce and logistics, infrastructure build-out
- Executing well on organic growth initiatives
- Accelerating the pace of innovation – new products expanding our market access

OPERATING MODEL

- Gates Operating System
- In-region/for-region strategy
- Replacement channel focus

ATTRACTIVE FINANCIALS

- Above-market growth
- Strong Free Cash Flow generation
- Strong balance sheet
- Capital allocation flexibility



COMPANY OVERVIEW

\$3.5B

2021 Revenue

\$736M

2021 Adj. EBITDA¹

\$295M

2021 Free Cash Flow²

22.4%

2021 ROIC³

14,000+

Employees

100,000+

Distributor Locations

750+

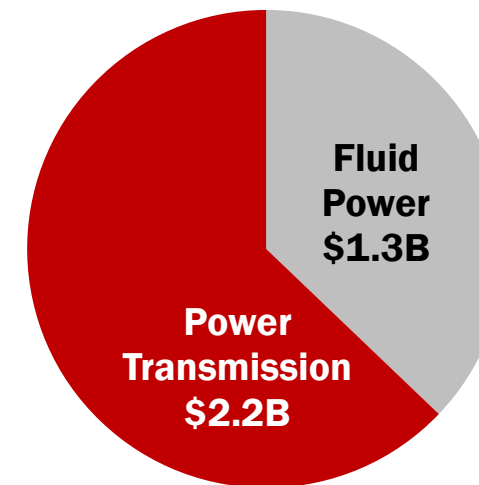
Engineers

120+

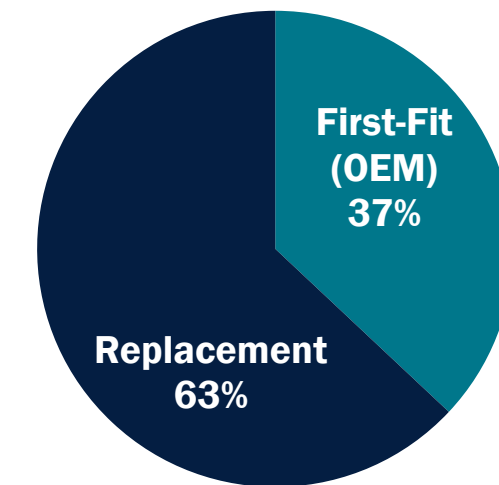
Countries Served

2021 REVENUE BREAKDOWN

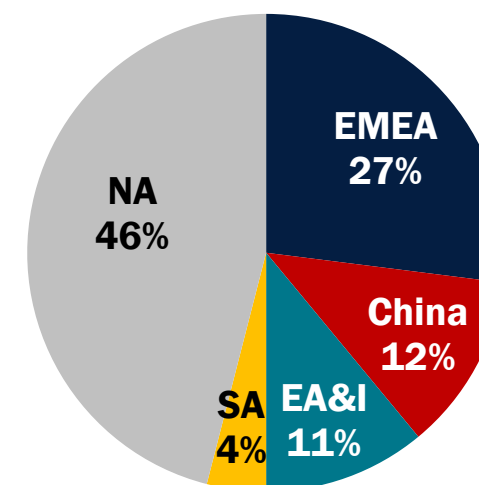
SEGMENT



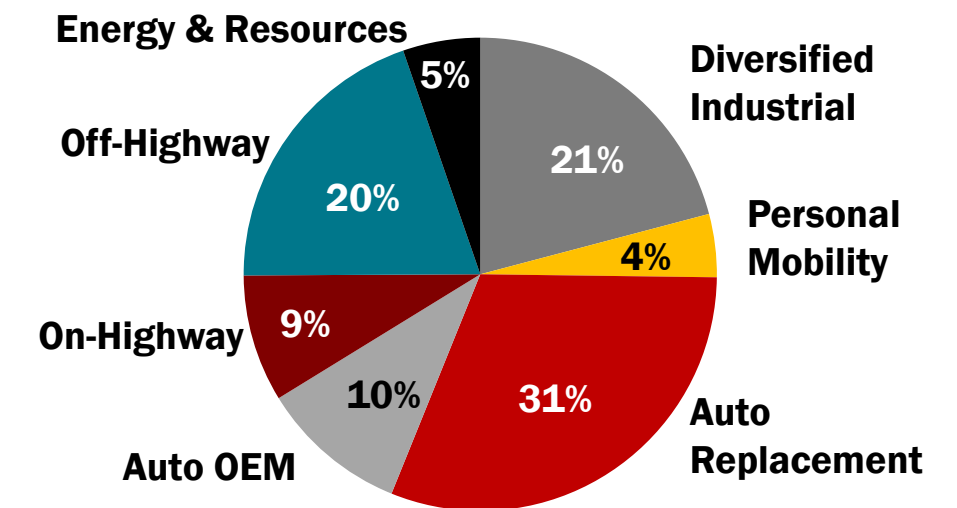
CHANNEL



GEOGRAPHY



END MARKET



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

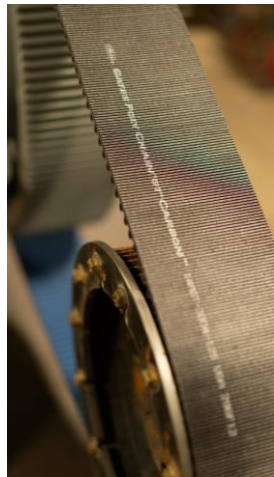


PRODUCT SEGMENTS

8

POWER TRANSMISSION: \$2.2B¹

#1 GLOBAL MARKET POSITION



PRODUCTS

- Synchronous Belts
 - V-Belts, CVT & Micro-V Belts
 - TPU Positioning & Conveyance Belts
 - Metal Drive Components
- Energy Efficient
 - Lightweight
 - Clean, Quiet and Safe
 - Maintenance Free
 - Reliable

Solutions transmitting power in fixed and mobile drives across a wide range of applications and end markets

GROWTH OPPORTUNITIES

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



FLUID POWER: \$1.3B¹

TOP-3 GLOBAL MARKET POSITION



PRODUCTS

- Hydraulic Hose, Tubing and Related Components
 - Thermal Management Hose
 - Industrial Fluid Conveyance Hose
 - Oil & Gas Hose
- Leak Free
 - Lightweight
 - Flexible
 - Multi-Application
 - Clean and Safe

Solutions serving fixed and mobile fluid conveyance applications across a wide range of end markets

GROWTH OPPORTUNITIES

- Stationary Industrial Applications
- EV Thermal Management
- Geographic Expansion



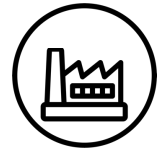
TWO GLOBAL SEGMENTS OF SCALE FOCUSED ON MISSION-CRITICAL, REPLACEMENT COMPONENTS FOR DIVERSE APPLICATIONS



HISTORY OF TRANSFORMATION

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2015-2017 STABILIZE



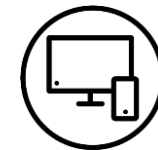
OPERATIONS

- 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
- Footprint Optimization Initiated
- 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 Market Organically
- Expand Earnings
- De-Lever the Balance Sheet
- Efficiently Allocate Capital
- Complete Portfolio Transformation



- Sustainable Company
- Aligned to Secular Growth Trends
- Providing Highly Engineered Products for Mission-Critical Applications
- Supporting our Customers' Missions

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



EXECUTIVE TEAM

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IVO JUREK
Chief Executive
Officer



BROOKS MALLARD
Chief Financial
Officer, EVP



WALT LIFSEY
Chief Operating
Officer, EVP



GWEN MONTGOMERY
SVP, Human Resources



CRISTIN BRACKEN
Chief Legal
Officer, SVP



TOM PITSTICK
Chief Marketing
Officer, SVP
Strategic Planning



GRANT GAWRONSKI
Chief Commercial
Officer, EVP



LOU ROSEN
President,
North America



JOSE SERA
Vice President,
Latin America



JOSEF PARZHUBER
President,
EMEA



WEI SHEN
Vice President &
General Manager,
Greater China



TS KHOO
Vice President,
East Asia & India

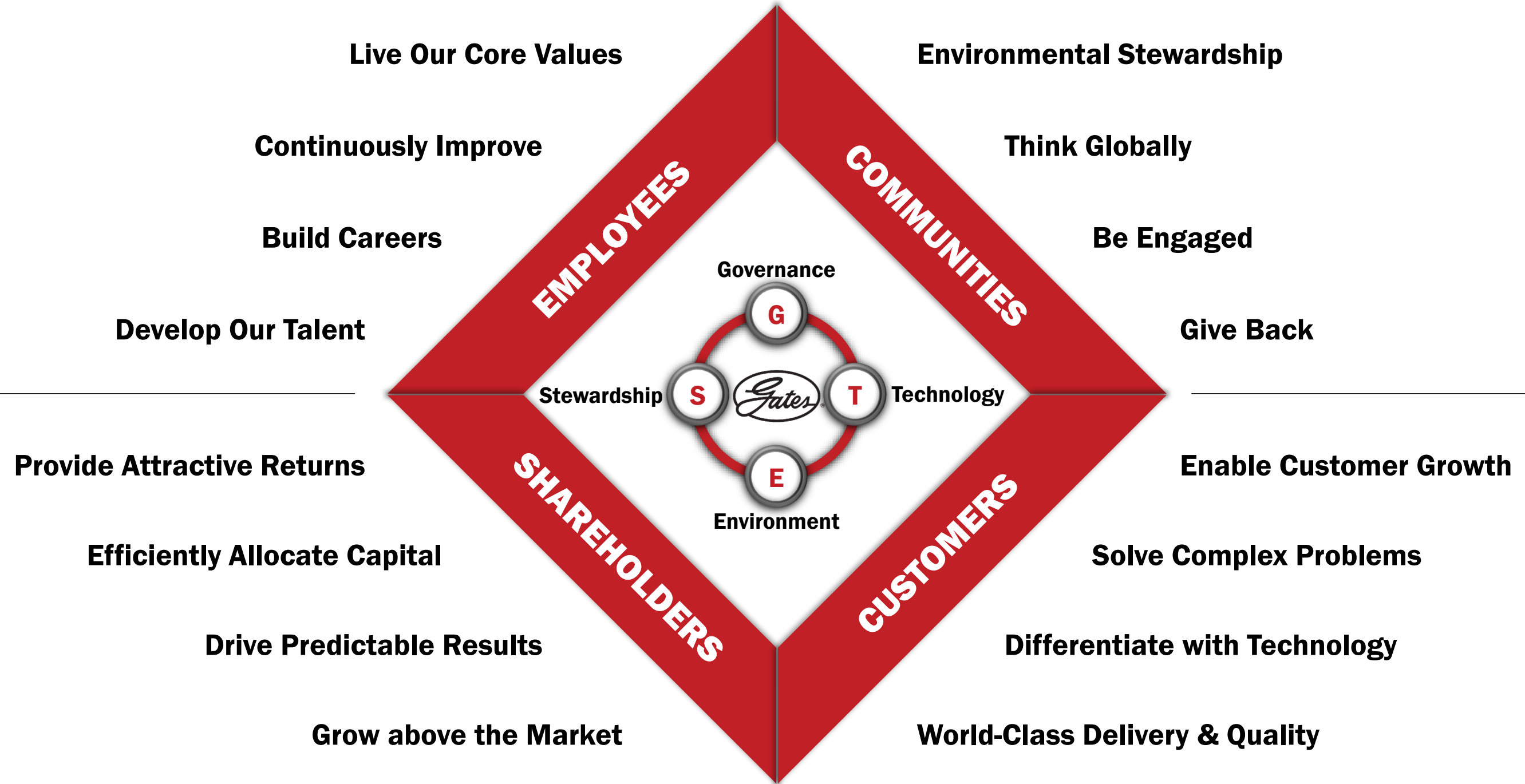
STRONG TRACK RECORD OF DRIVING **GROWTH** **AND TRANSFORMATION**

- Extensive experience in the public markets
- Each with 20+ years of global industrial experience
- Diverse, majority independent and seasoned Board of Directors



HOW WE OPERATE – OUR LEADERSHIP MODEL

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DELIVERING MEANINGFUL OUTCOMES FOR ALL OUR STAKEHOLDERS



SUSTAINABLY ADVANCING THE WAY THE WORLD MOVES

**GLOBALLY FOCUSED,
LOCALLY IMPLEMENTED.**

We believe in doing business the right way and our sustainability efforts are rooted in our ongoing commitment to the communities and environments in which we work.

[Gates Sustainability](#)

GOVERNANCE

Conduct business with integrity and maintain ethical and comprehensive corporate oversight

G

TECHNOLOGY

Engineer products and processes that push the boundaries of innovation

T

ENVIRONMENT

Continuously improve the environmental sustainability of our products and operations

E


STEWARDSHIP

Empower and enhance the experience of our employees and communities

S



GOVERNANCE

44% FEMALE
BOARD
MEMBERS 


8 OUT
OF **9** INDEPENDENT
DIRECTORS

 SUPPLY CHAIN
TRANSPARENCY

TECHNOLOGY

30+ PRODUCT
PLATFORMS
LAUNCHED SINCE 2016

 **2,500+**
PATENTS


3,200+ 
TRADEMARKS

ENVIRONMENT

-15% ENERGY
REDUCTION* 

-23% GHG
EMISSIONS
REDUCTION*

 **-9%**
TOTAL WASTE
REDUCTION*

-17% 
WATER
CONSUMPTION*

+42% WASTE DIVERTED
FROM LANDFILL*

STEWARDSHIP

CHARITABLE **160+**
CONTRIBUTIONS TO
 **ORGANIZATIONS**
 IN THE **UNITED STATES**

16 SITES WITH **OVER 2M**
HOURS WORKED
WITHOUT LOST TIME

4,000+ PROFESSIONALS
SPANNING **21 COUNTRIES** &
71 GATES LOCATIONS HAVE
PARTICIPATED IN **GLOBAL**
MENTORING SINCE **2016**



ABOVE-MARKET GROWTH

- Secular Trends
- Eco-Innovation™
- Organic Growth Initiatives



MARGIN OPPORTUNITY

- Gates Production System
- Eco-Innovation™
- Complexity Reduction



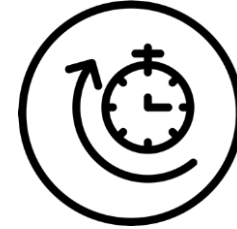
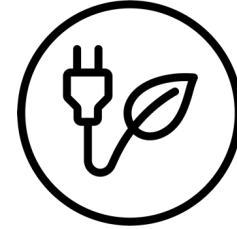
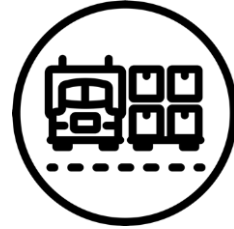
PUTTING CAPITAL TO WORK

- Organic Growth Investments
- Share Repurchases
- Acquisitions



SECULAR TRENDS

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END MARKET	TAM	E-COMMERCE, WAREHOUSING & LOGISTICS	ELECTRIFICATION	EFFICIENCY, PRODUCTIVITY, RELIABILITY & SAFETY	INFRASTRUCTURE BUILDOUT
Diversified Industrial	~\$29B	● ● ● ○	● ● ○ ○	● ● ● ●	● ● ○ ○
Personal Mobility	~\$4B	● ○ ○ ○	● ● ● ●	● ● ○ ○	○ ○ ○ ○
Automotive	~\$23B	● ○ ○ ○	● ● ● ○	● ● ○ ○	● ○ ○ ○
Off-Highway	~\$8B	● ○ ○ ○	● ○ ○ ○	● ● ● ○	● ● ● ●
On-Highway	~\$2B	● ● ● ●	● ● ● ○	● ● ● ○	● ● ● ○
Energy & Resources	~\$4B	● ● ○ ○	● ○ ○ ○	● ● ● ●	● ● ○ ○

POSITIVE SECULAR MEGATRENDS SUPPORTING ALL END MARKETS



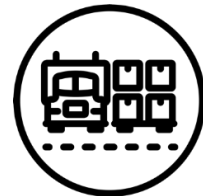
ROBOTICS



+6.0%

Robotics and Automation
Market CAGR
'19-'25¹

WAREHOUSING



+3.5%

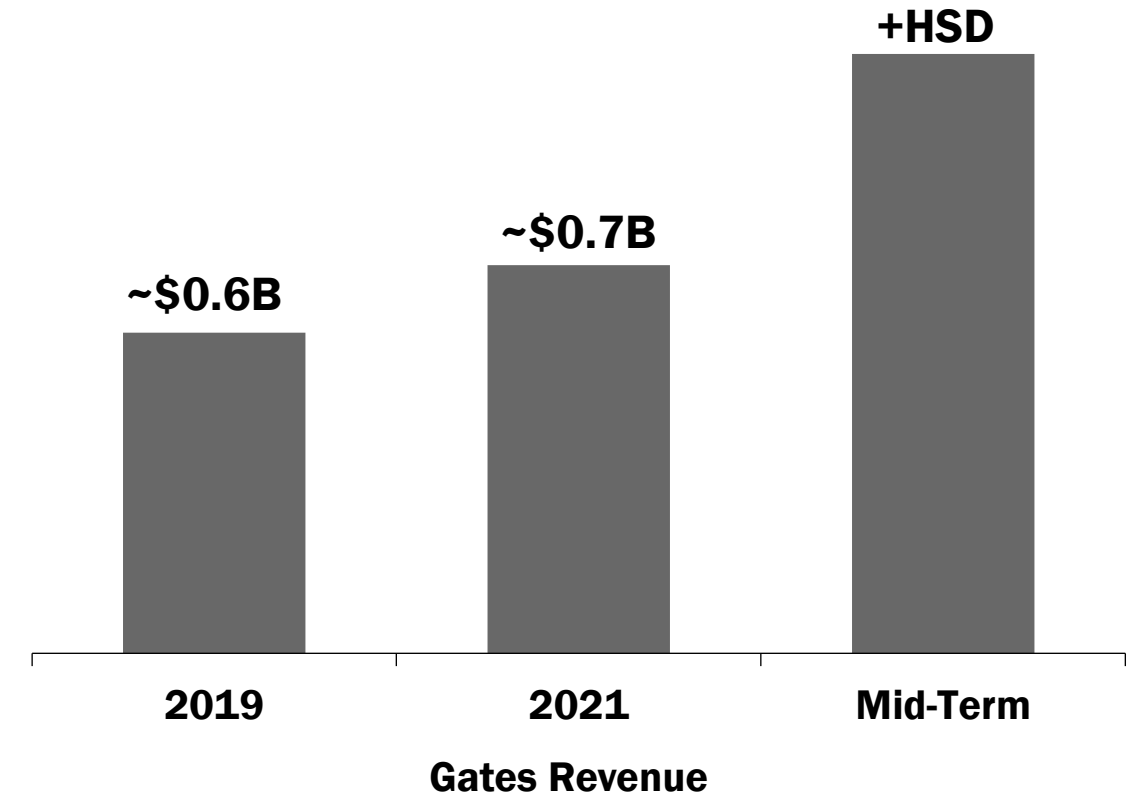
Warehouse Building
Stock CAGR
'20-'25²

AUTOMATION



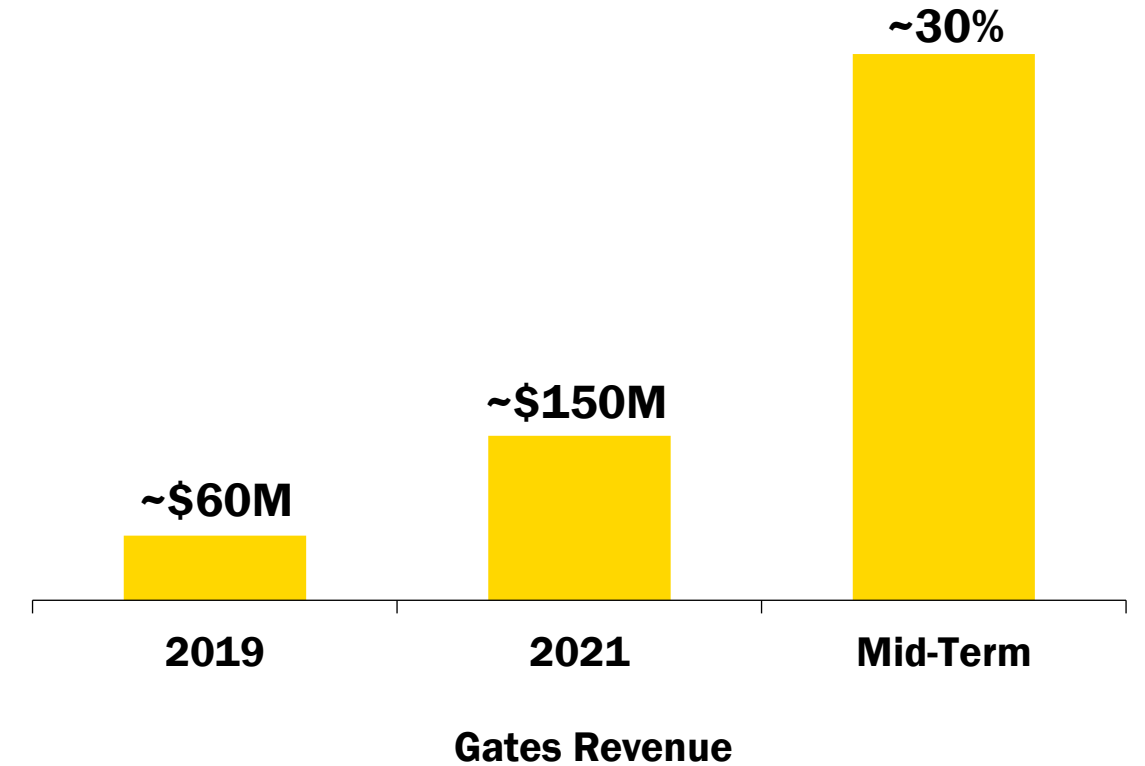
+9.8%

Global Industrial Automation
& Control Systems Market
CAGR '20-'27³



- E-commerce, warehousing, logistics, operational efficiency and reliability are key impact drivers of strong end-market demand
- Eco-Innovation™ continuing to expand the opportunity to convert alternative power transmission technologies and penetrate stationary fluid power applications

TARGETING HSD GROWTH TO \$1B+ DRIVEN BY INNOVATION, COMMERCIAL FOCUS AND EXECUTING ON KEY STRATEGIC INITIATIVES IN EARLY STAGES OF THE ADOPTION CURVE



TWO-WHEELERS



~650M

Two-Wheelers on the Road in China, India and Indonesia¹

GLOBAL PRODUCTION



~180M

Bicycles, Scooters and Motorcycles Produced Annually²

ELECTRIFICATION



~30%

Electrified Bicycles, Scooters and Motorcycles by 2030²

- Accelerating electrification and consumer shift towards micro-mobility options
- Expanding portfolio to cover additional applications and capture additional share from legacy technologies

**ADOPTION ACCELERATING – TARGETING ~30% ANNUAL GROWTH TO \$500M
LEVERAGING UNIQUE BELT DRIVE VALUE PROPOSITIONS AND CAPITALIZING ON STRONG ELECTRIFICATION TRENDS**



GLOBAL CAR PARC



~1.4B

Total Vehicles
in Operation
Globally¹

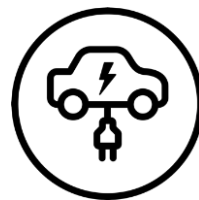
AGED CAR PARC



~350M

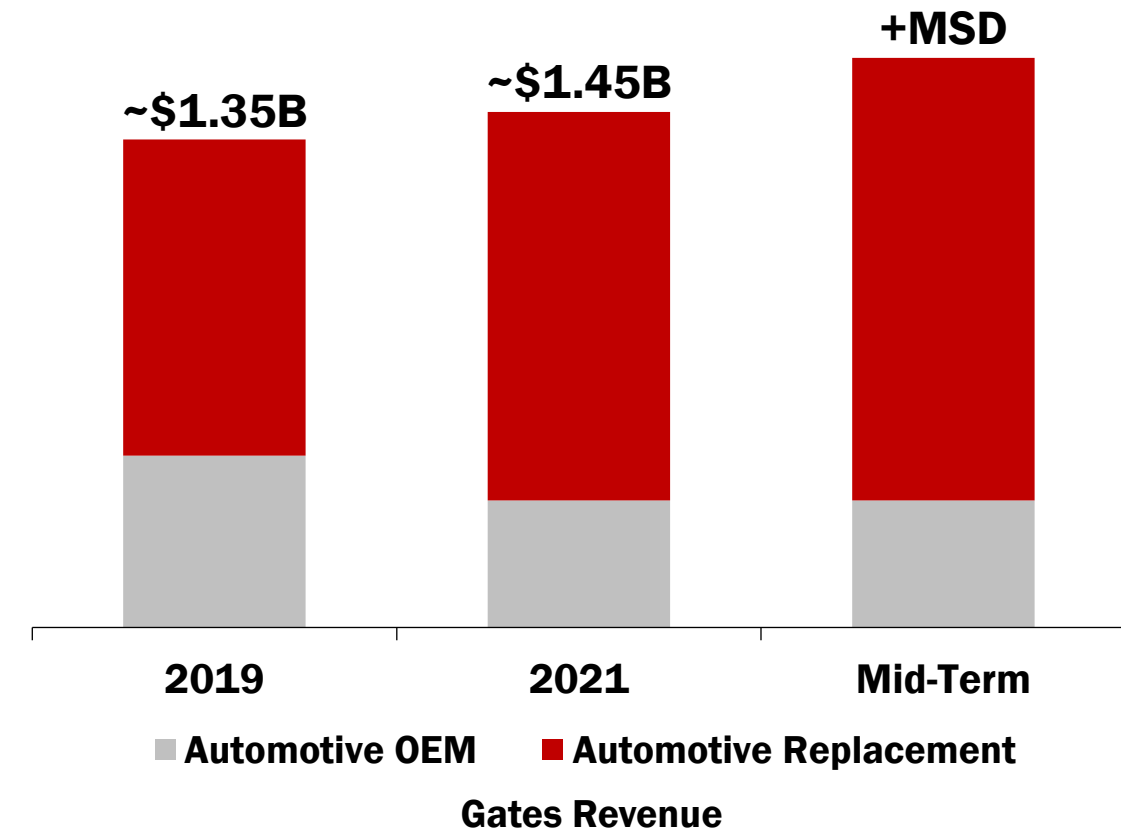
Vehicles 7-12 Years
Old in Operation
Globally¹

ELECTRIFICATION



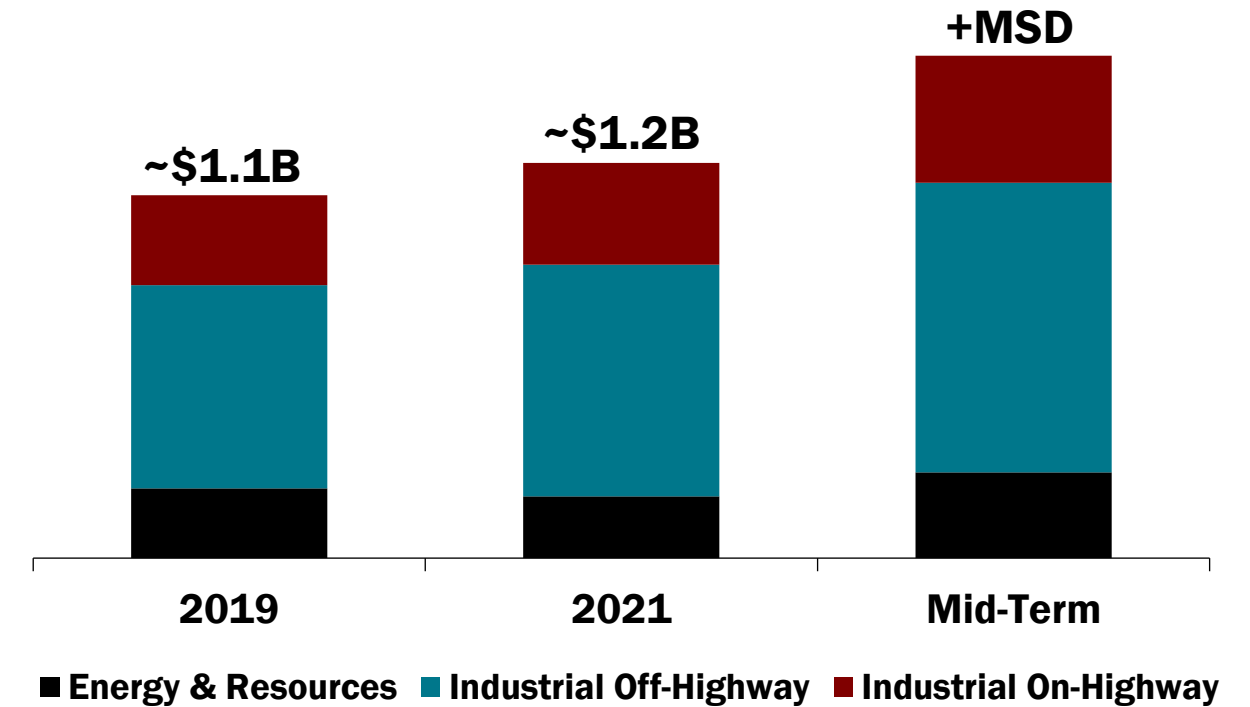
~20%

Full Electric Vehicle
Aged (7-12yrs) Car Parc
CAGR '20-'40¹



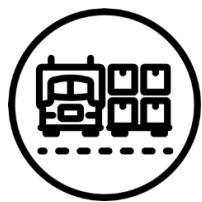
- ~2.4x average content uplift in EVs
- Key player in thermal management product categories today
- Launched ThermalPro™ electric water pump platform
- Building out SKU coverage as EVs become a more meaningful portion of the aftermarket
- Significant opportunity in propulsion transition

TARGETING MSD GROWTH WHILE HOLDING OEM REVENUE ~FLAT
75% OEM REVENUE FROM NEW ENERGY VEHICLES BY 2030 AND >95% EV CAR PARC COVERAGE IN THE MID-TERM



Gates Revenue

ON-HIGHWAY



+2.5%

Heavy-Duty Vehicle
Production
CAGR '21-'27¹

OFF-HIGHWAY



+3.4%

Construction
Equipment
CAGR '21-'27¹

ENERGY & RESOURCES



+30%

Increase in Global Land
Rigs in Operation from
'21-'25²

- E-commerce, logistics, food production and infrastructure build-out support positive end-market outlook
- Eco-Innovation™ driving share gains in core industrial markets
- Leveraging in-region/for-region footprint investments to grow in underpenetrated geographies

TARGETING CONTINUED MSD GROWTH THROUGH INNOVATION, SHARE GAIN AND GEOGRAPHIC EXPANSION



ECO-INNOVATION™

Innovate to deliver enhanced value to our customers across the globe

- Increased performance
- Higher operational efficiency
- Improved reliability & safety
- Leak-free fluid power solutions
- Reduced environmental impact



DIGITAL TOOLS

Help customers find Gates solutions, engineer them into their products and simplify transactions

- Demand generation
- Design tools
- E-commerce
- Customer self-service portal



COMMERCIAL EXCELLENCE

Align commercial efforts to focus on key growth segments

- Focused commercial and customer service teams across geographic regions
- Partnering with our customers globally
- Strong distribution channel presence
- Market and application expertise



GATES PRODUCTION SYSTEM

Continuous improvement mindset to operate safely and efficiently

- Health & safety
- Leading quality
- Maximize machine uptime
- Preventative maintenance
- Service levels / fulfillment



ECO-INNOVATION™

Advanced materials, product design and process engineering to improve operations

- Product platform consolidation
- Higher output/unit footprint
- Improving quality
- Reduced scrap & waste
- Minimizing GHG, water and energy consumption



COMPLEXITY REDUCTION

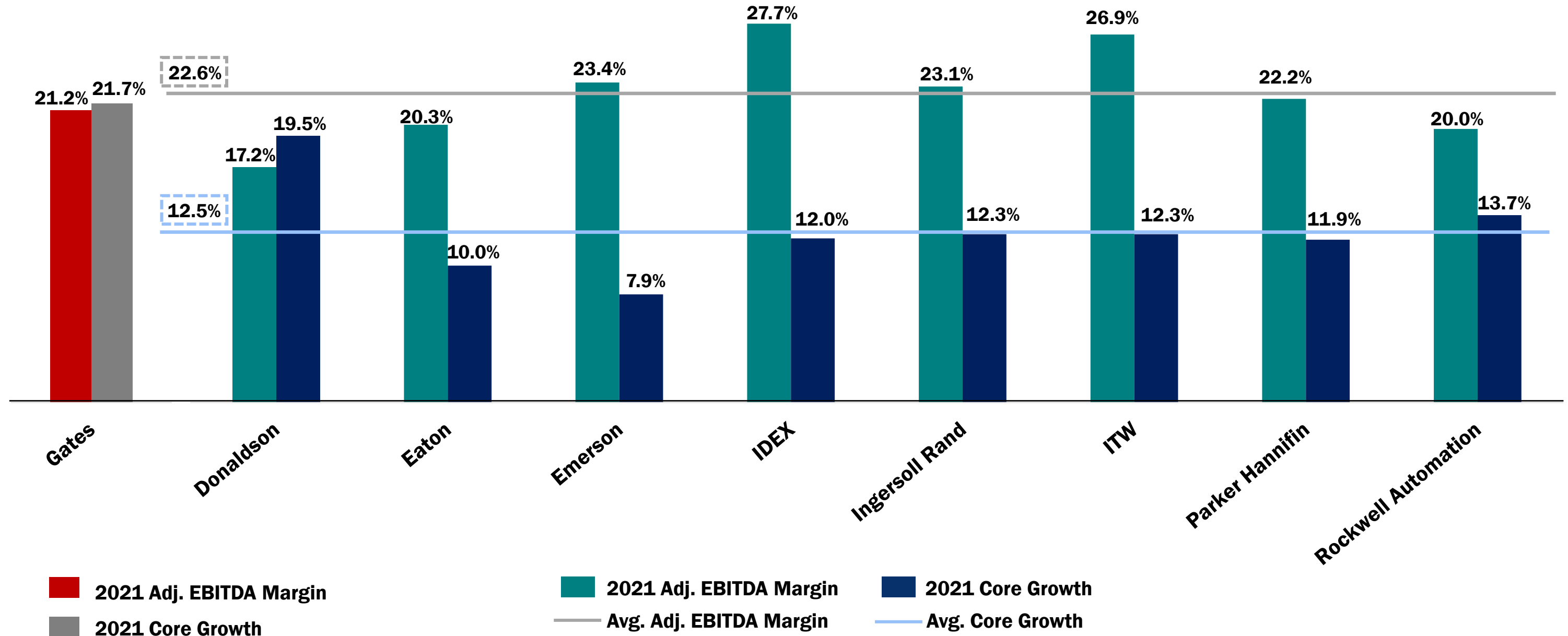
Constantly looking for ways to reduce complexity in our operations and product portfolios

- Tail-SKU rationalization
- Reduced inventory levels
- Pricing for value
- Improved service levels
- Optimized capacity utilization



2021 GATES PERFORMANCE VS. PREMIUM INDUSTRIALS

22



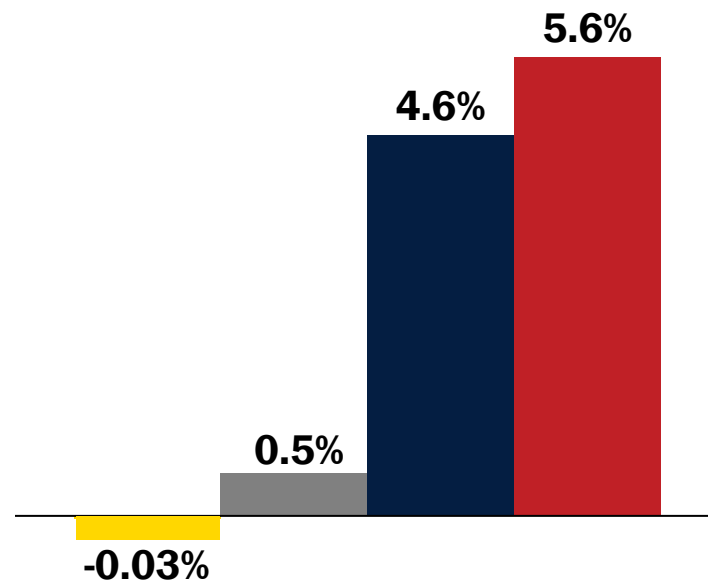
(1) Core revenue growth excludes impact of currency exchange rates and the first 12 months of acquisitions/divestitures. See appendix for reconciliation.
(2) Calendar-year used for ETN, EMR, IEX, ITW, IR, PH, and ROK; LTM period ended January used for DCI.
(3) Premium industrial data based on information in publicly available company filings and presentations, including data aggregated by third-party source FactSet.
(4) Adjusted EBITDA Margin is a non-GAAP measure. See appendix for reconciliations.



2019-2021 GATES PERFORMANCE VS. PREMIUM INDUSTRIALS 23

CORE GROWTH

CAGR
2019-2021



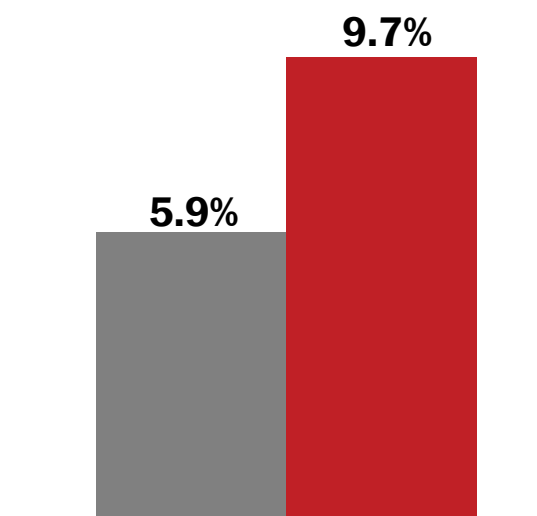
100 bps **510 bps**

Above Global
Mfg PMI

Above Premium
Industrials

ADJUSTED EBITDA

CAGR
2019-2021

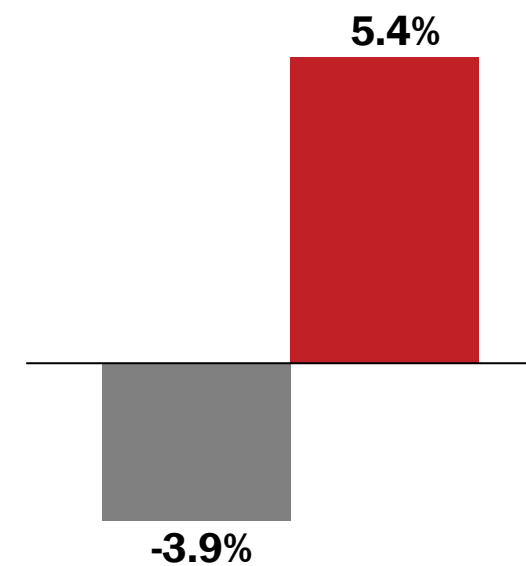


380 bps

Above Premium
Industrials

FREE CASH FLOW

CAGR
2019-2021

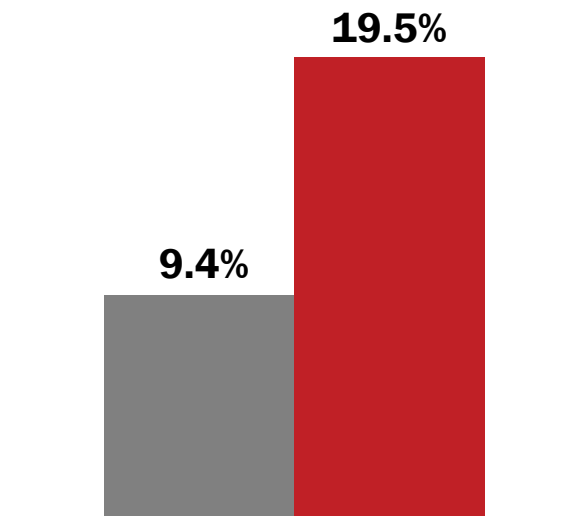


930 bps

Above Premium
Industrials

ADJUSTED EPS

CAGR
2019-2021



1,010 bps

Above Premium
Industrials

Global Ind Prod Premium Industrials Global Mfg PMI GTES



MID-TERM TARGETS

2019 MID-TERM TARGETS					2022 MID-TERM TARGETS
METRIC		2019A	2021A	PROGRESS	
Revenue	\$4B+	\$3.1B	\$3.5B		+MSD Organic
Adj. EBITDA Margin	24%+	19.8%	21.2%		24%+
Adj. EPS	N/A	\$0.96	\$1.37		\$2.00
FCF Conversion ¹	100%	95.2%	72.4%		100%
Adj. ROIC	20%+	19.4%	22.4%		25%
Net Leverage ²	2 – 3x	3.8x	2.6x		~1.5x

STRONG EXECUTION – PROGRESSING WELL TOWARDS MID-TERM TARGETS SET IN 2019 WHILE MANAGING THROUGH CHALLENGING OPERATING ENVIRONMENT

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⁽¹⁾ Free Cash Flow Conversion shown as % of Adjusted Net Income
⁽²⁾ Net leverage calculated as principal value of debt less the carrying amount of cash and cash equivalents, divided by LTM Adjusted EBITDA.



OUR OPPORTUNITY

Aligned Closely to Secular Growth Megatrends – Sustainable End Markets Position Us Well for Growth

OUR PEOPLE

Talented Team, Strong Culture and Robust Operating System – Steppingstones to Drive Differentiated Performance

OUR FINANCIALS

We Generate Strong Top-Line Growth, Margins and Cash Flows with Solid Runway

OUR BALANCE SHEET

We Are Positioned to Allocate Capital to Drive Growth and Shareholder Returns

OUR FUTURE IS BRIGHT, WITH OUR BEST DAYS AHEAD OF US



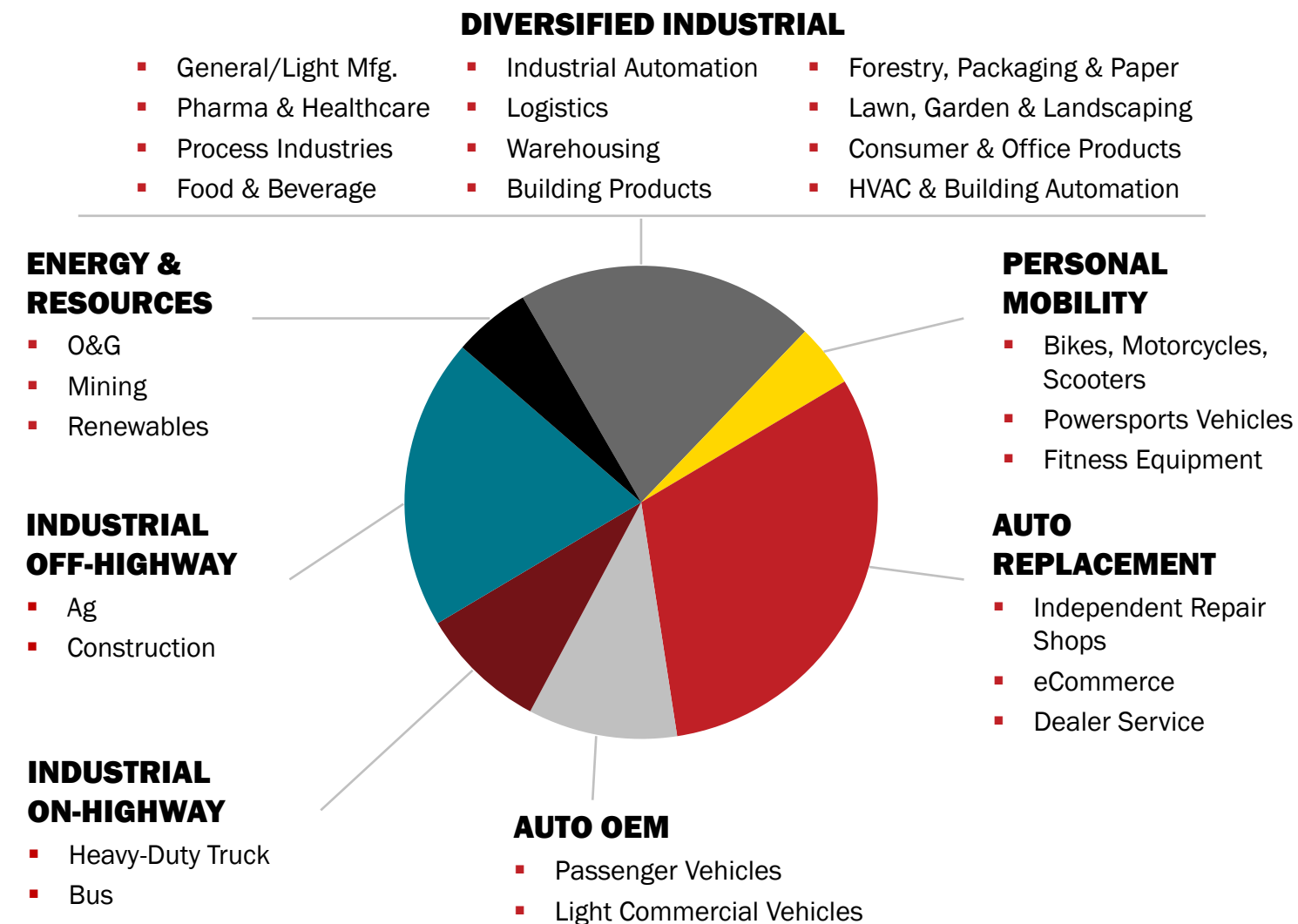
GROWTH

TOM PITSTICK
CMO & SVP STRATEGIC
PLANNING





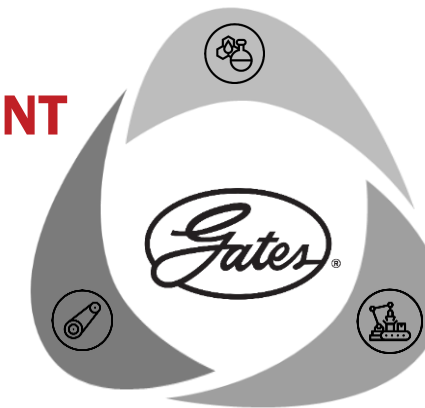
ATTRACTIVE MARKETS



- Large | Diverse | Fragmented | Global
- Favorable Underlying Trends

LEADING PRODUCTS

**NATURAL
REPLACEMENT
CYCLES**



**HIGHLY
ENGINEERED**

**MISSION
CRITICAL**

- 80%+ of revenues from Top-3 Market Positions

WORLD-CLASS ORGANIZATION

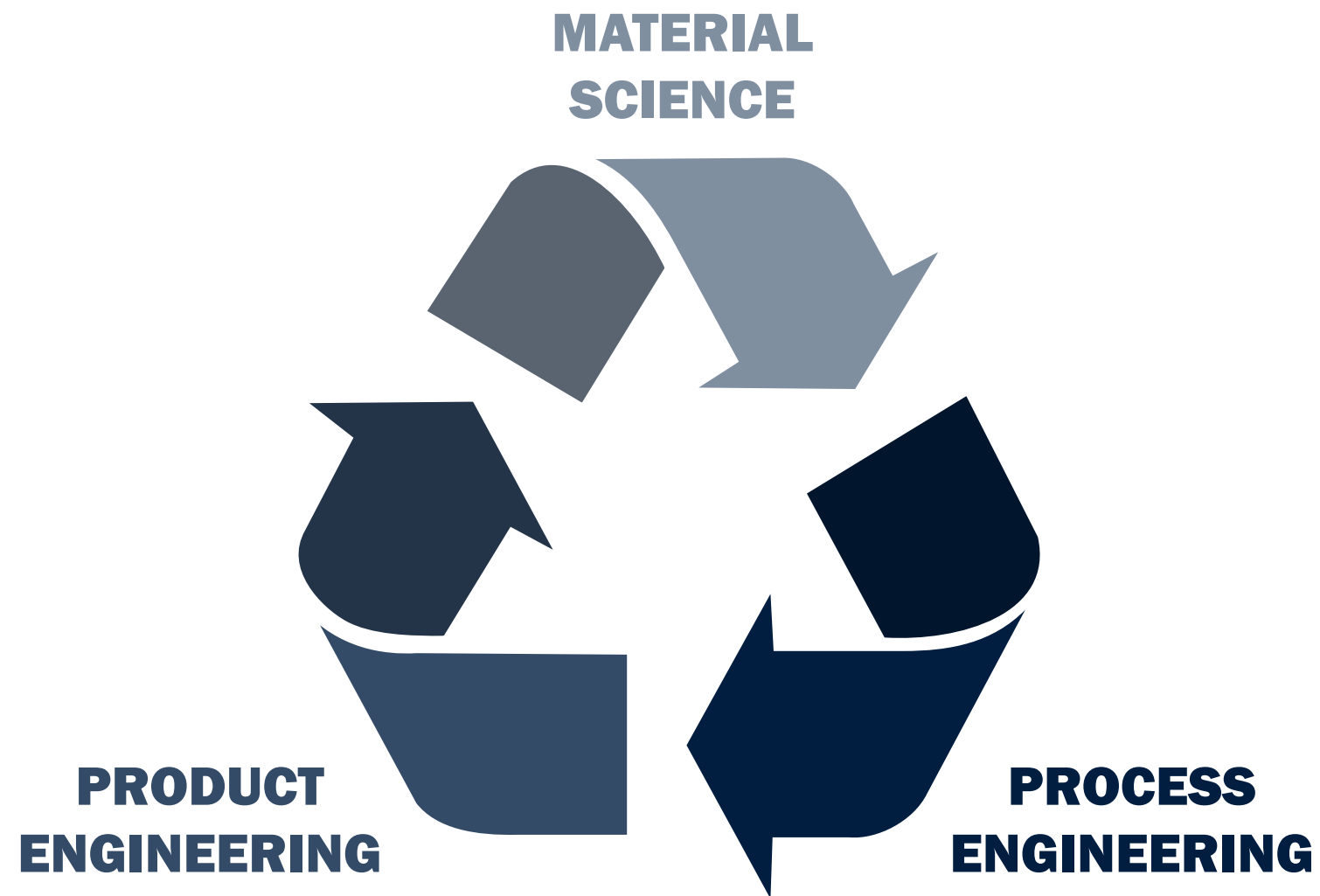
- In-Region/For-Region Commercial and Operating Presence
- Well-Established Global Channels and Customer Relationships
- Investing in Digital Tools and Our Front-End Organization
- Globally Recognized Brand

WELL-POSITIONED TO DELIVER ABOVE-MARKET GROWTH IN ATTRACTIVE END MARKETS








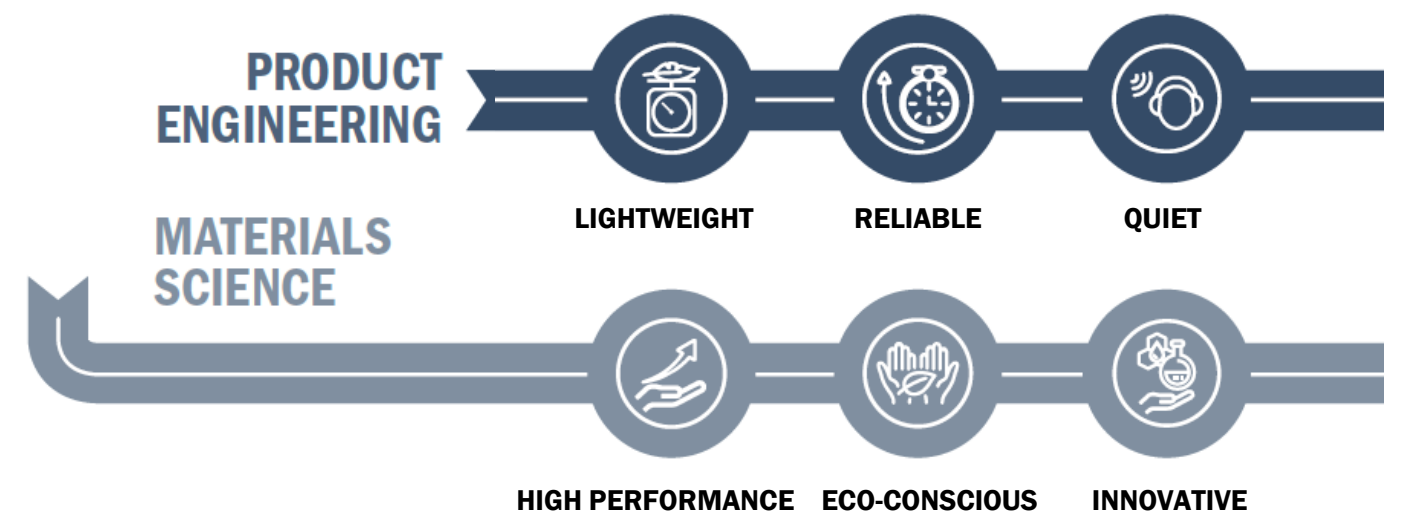
KEY INITIATIVES AND GROWTH ENABLERS





IMPACT ON OUR PRODUCTS

-  Designing to reduce environmental impact
-  Improving reliability, durability and efficiency
-  Increasing cleanliness (leaks and use of lubricants)
-  Delivering premium performance
-  Enabling new applications and end markets

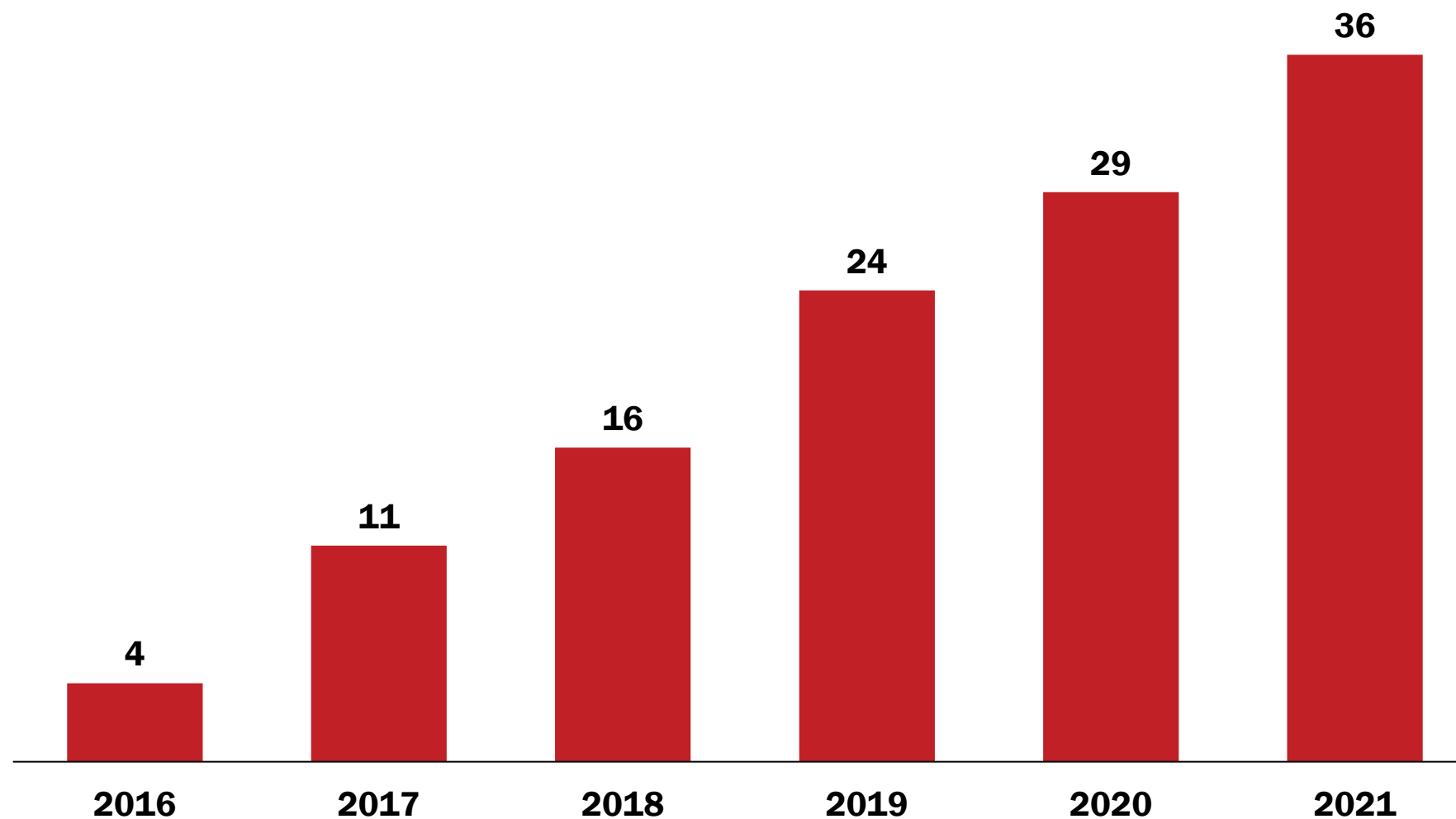


ECO-INNOVATION™ DRIVING SUSTAINABILITY AND ENABLING NEW END MARKETS AND APPLICATIONS FOR GATES



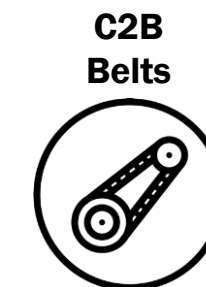
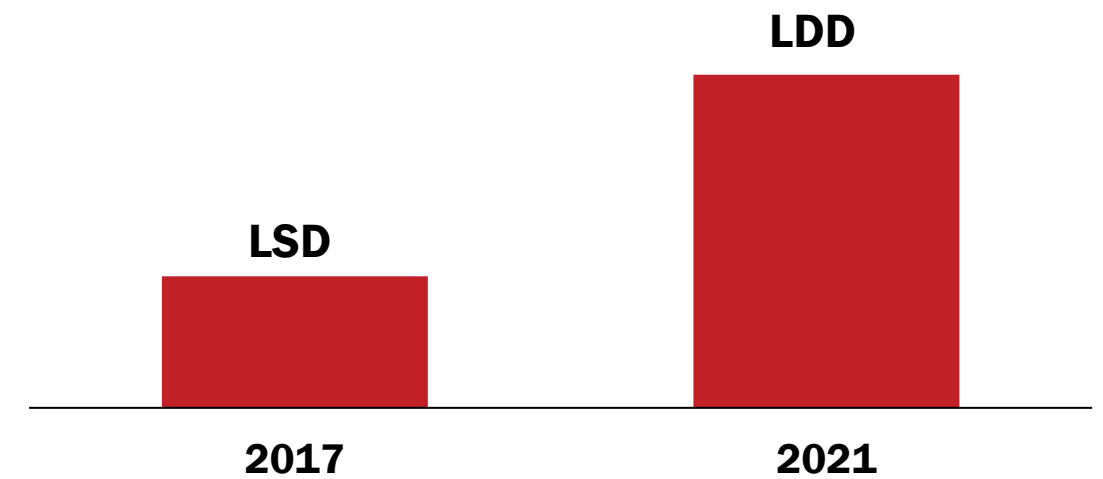
NEW PRODUCT LAUNCHES

CUMULATIVE NEW **PRODUCT PLATFORM** LAUNCHES



VITALITY

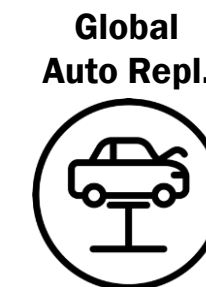
5-YEAR VITALITY INDEX¹



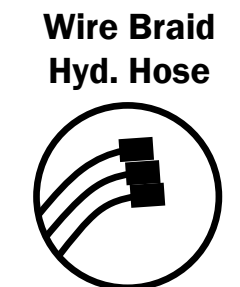
C2B Belts
~10%



Personal Mobility
~50%



Global Auto Repl.
~10%



Wire Braid Hyd. Hose
~30%

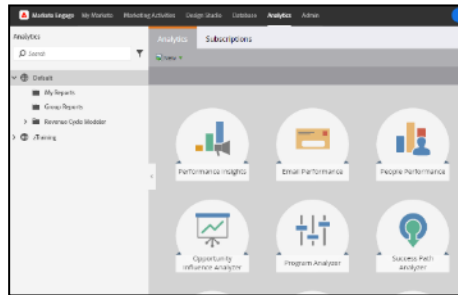
SELECT PRODUCT LINE 5-YEAR VITALITY INDICES

LAUNCHED 30+ INNOVATIVE NEW PRODUCT PLATFORMS SINCE 2016, DRIVING 25%+ CAGR IN VITALITY REVENUES

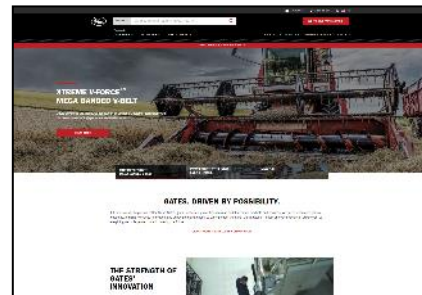


CUSTOMER EXPERIENCE & MARKETING

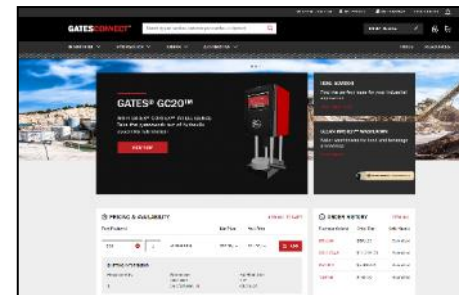
- Ease of doing business, demand generation & sales effectiveness



Gates LEAD MACHINE®
Demand Generation



Gates.com
Global Website



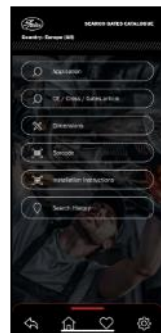
GatesConnect.com
Customer Service Portal

SOFTWARE AND APPLICATIONS

- Tools to help customers select and apply our products



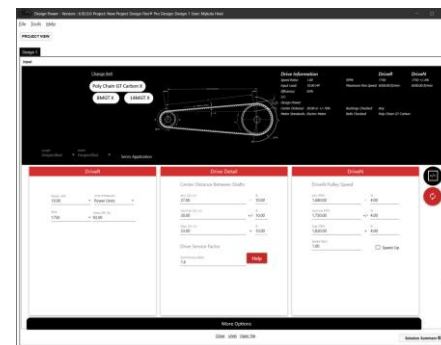
Carbon Drive



Global Catalog



eCrimp Hydraulic Crimp Specs



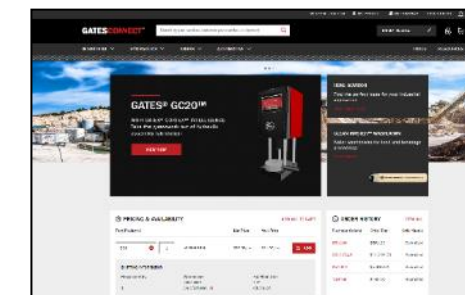
Design Power™ Belt Drive Design Software

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

Onboard Training and Marketing Content

Updated Crimp Specifications

Increased sales, does not require skilled labor

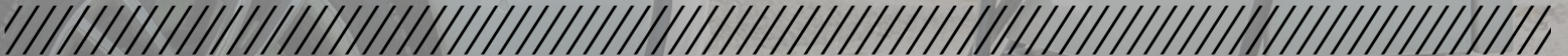
GC20 users consume more new products

Ensures high-quality hose/coupling assemblies in the field

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

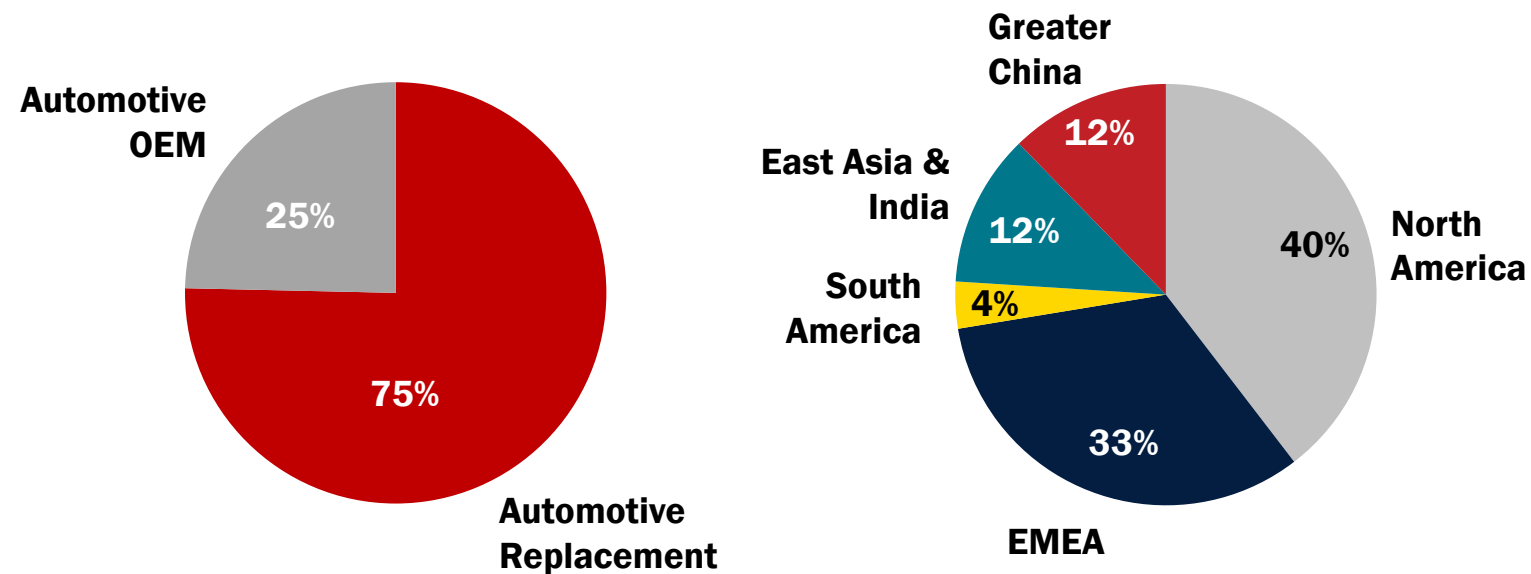


AUTOMOTIVE ELECTRIFICATION

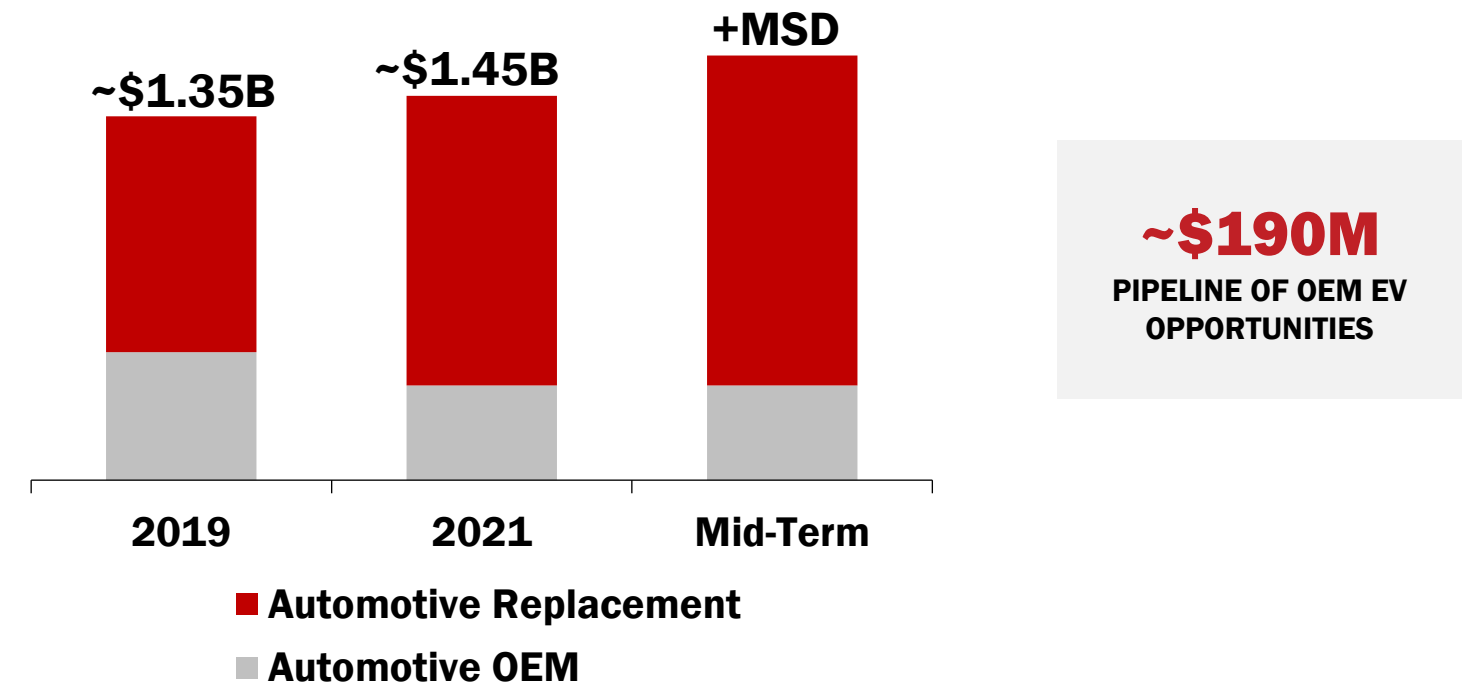




2021 BUSINESS MIX



PROGRESS AND TARGETS

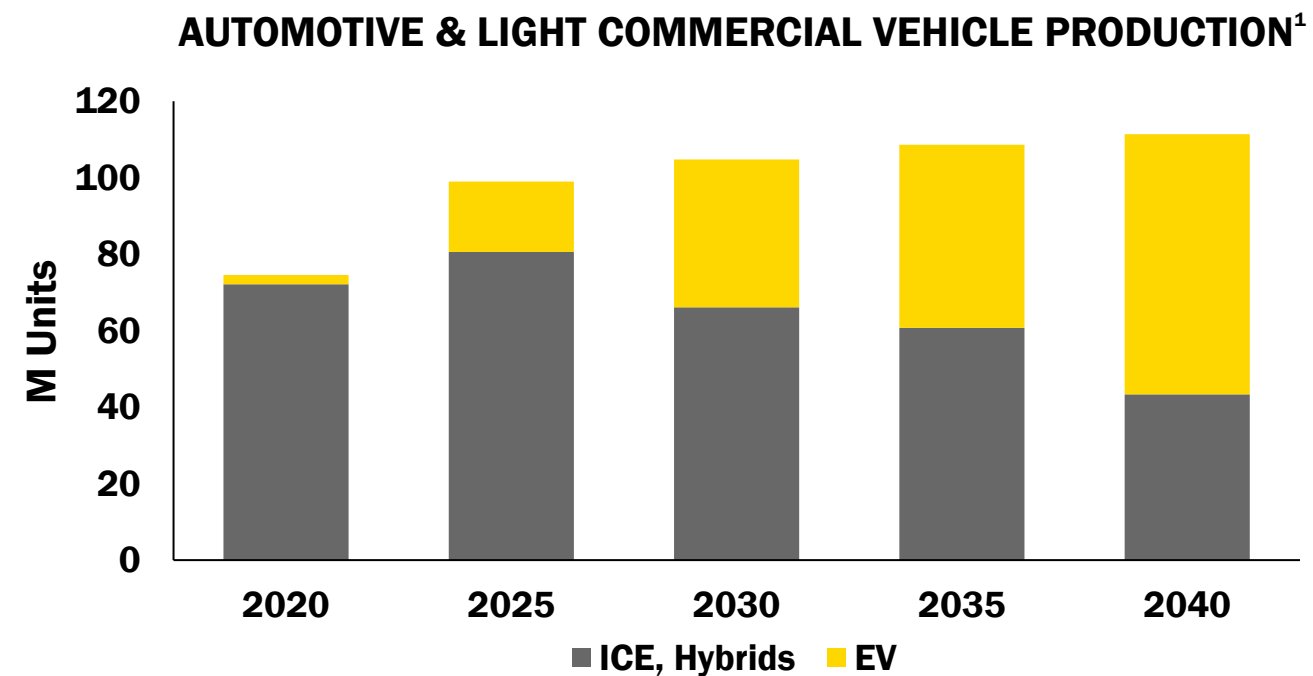


- **Heavily weighted towards replacement channels**
- **Presence in all major geographies**
- **Strong R&D presence, close to major OEMs in North America, Europe and Asia**
- **Dedicated OEM and replacement channel sales teams**
- **Significantly improved the quality of the Automotive OEM business**
 - Shedding lower margin/unattractive business and focusing on programs where we can differentiate with technology
- **Continued global growth in replacement channels**
 - Share gain in mature markets
 - Establishing leadership positions in emerging markets

**ATTRACTIVE AUTOMOTIVE BUSINESS – MAJORITY FROM REPLACEMENT CHANNELS WITH A BALANCED GEOGRAPHIC MIX
TARGETING CONTINUED MSD GROWTH OVER THE MID-TERM**



MARKET TRENDS



- **Total Market**
 - ~4% CAGR from 2021 to 2030 as market catches up from COVID and supply constraints ease
 - ~2% CAGR from 2021 to 2040 based on saturating auto penetration
- **Propulsion Mix**
 - ICE/Hybrids mixing towards Hybrids
 - EVs growing at ~30% CAGR to approximately ~35% of the total by 2030

GATES STRENGTHS

- **Differentiated Innovation, Technology & Systems Engineering**
 - Increasingly important as propulsion electrifies
- **Manufacturing Excellence**
 - Scale, Quality, Delivery
- **Strong Customer Relationships**
 - Operations, R&D and Commercial all close to customers

STRATEGIC IMPERATIVES

- **Leverage core products in thermal management and PT to capitalize on hybridization and full electrification trends**
- **Participate selectively in technology-differentiated opportunities**
- **Leverage automotive engineering and sourcing strengths to grow in Mobility, Heavy-Duty Vehicles and other end markets**

SUPPORTIVE MARKET CONDITIONS AND GROWING CONTENT – MAINTAINING SELECTIVE PARTICIPATION



GATES CONTENT

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

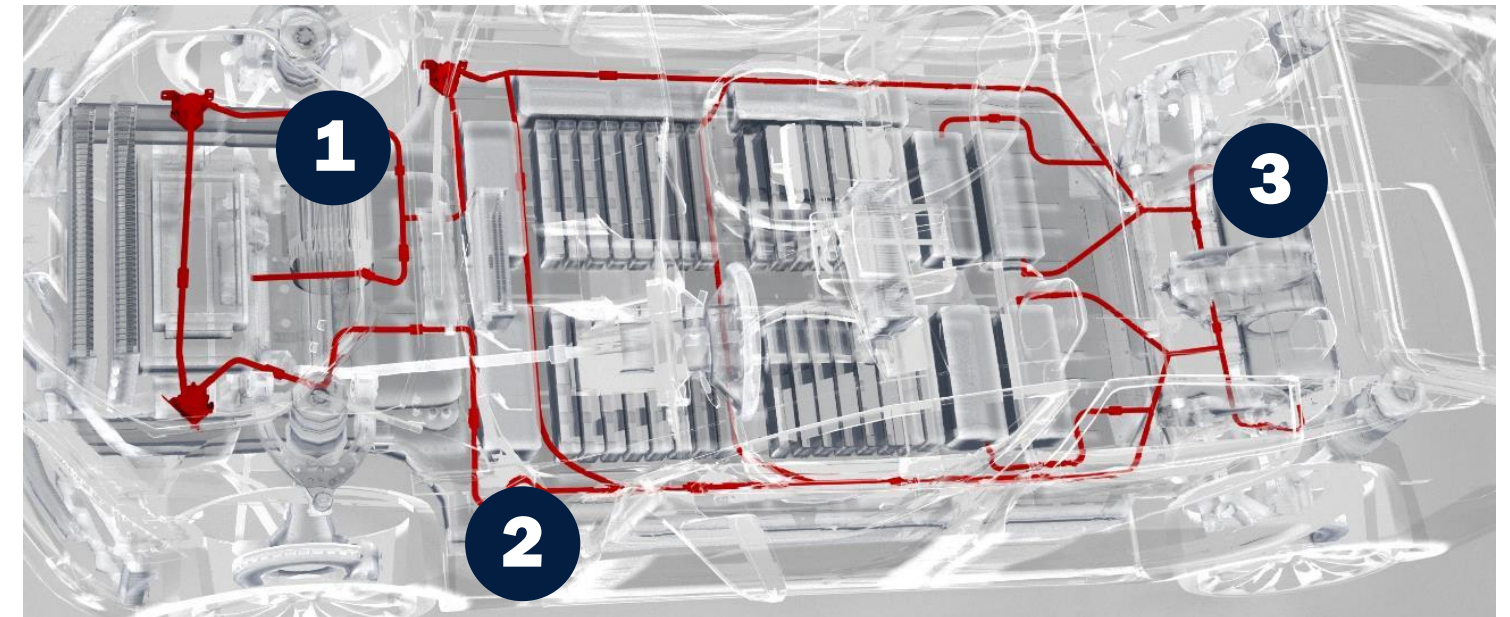
+ \$275

**NET ADDRESSABLE
CONTENT PER VEHICLE**

= \$300

THERMAL MANAGEMENT SYSTEMS

Critical to EV propulsion and battery systems



1



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

\$30-\$65

2



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

\$75-\$135

3



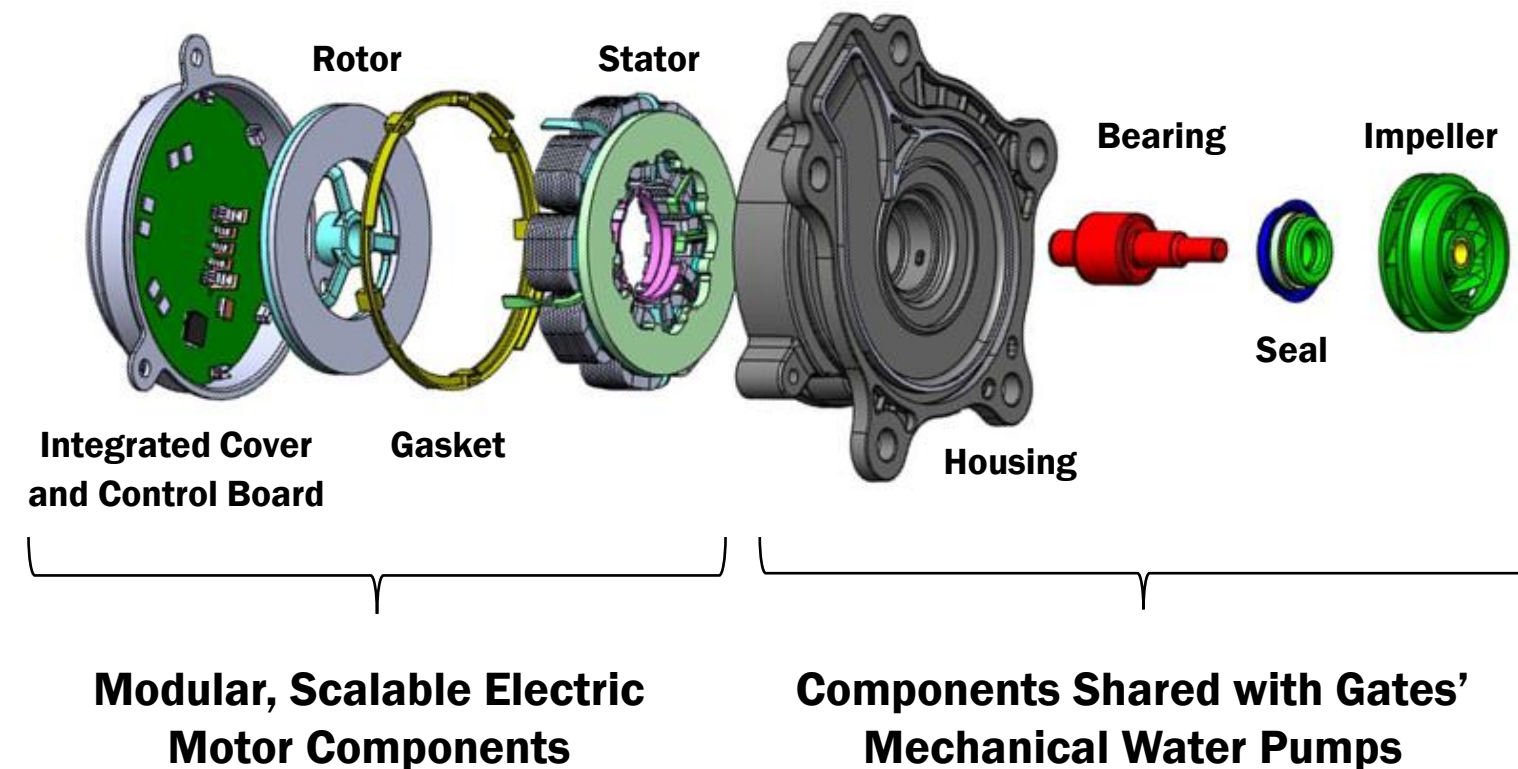
**Modular/Branched
Hose Assemblies**

\$110-\$230

**SIGNIFICANT CONTENT UPLIFT FROM THERMAL MANAGEMENT SYSTEMS AS VEHICLES TRANSITION
FROM ICE TO EV – THERMAL MANAGEMENT ALSO PLAYS INCREASINGLY CRITICAL FUNCTION**



THERMALPRO™ ELECTRIC WATER PUMP



TECHNICAL ADVANTAGES

- Axial Flux motor design is compact and efficient – up to 30% improvement vs. Radial Flux motors
- Dry rotor design and isolated control board improve reliability
- Modular, scalable architecture
- Reuse of certain components minimizes tooling costs
- Manufactured on modified tensioner production lines

APPLICATIONS

- Primary or auxiliary thermal management applications on Automotive & Heavy-Duty ICE, Hybrid or Electric Vehicles
- Stationary industrial applications
- eBike drivetrains
- Outdoor power / lawn & garden equipment
- Industrial cooling systems

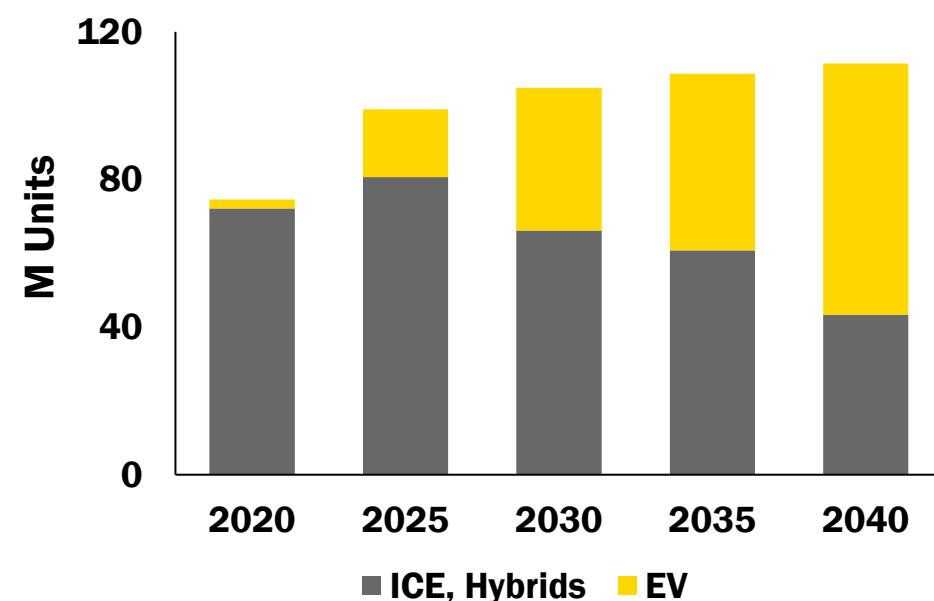
NEXT-GENERATION ELECTRIC WATER PUMP PLATFORM FROM GATES DELIVERS DIFFERENTIATED PERFORMANCE AND IS SUITABLE FOR A WIDE RANGE OF APPLICATIONS



AUTOMOTIVE REPLACEMENT MARKET: FROM OEM PRODUCTION TO AGED CAR PARC

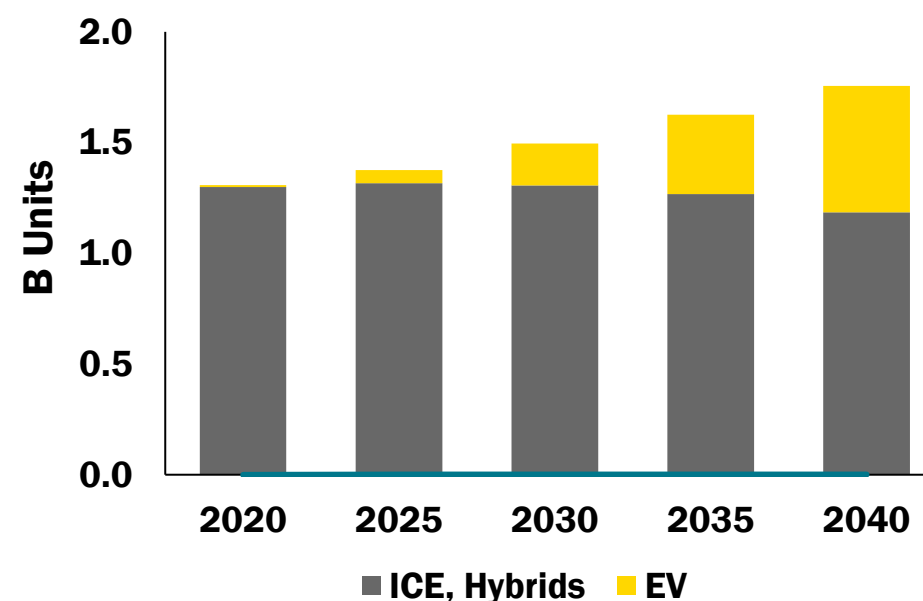
37

GLOBAL OEM VEHICLE PRODUCTION¹



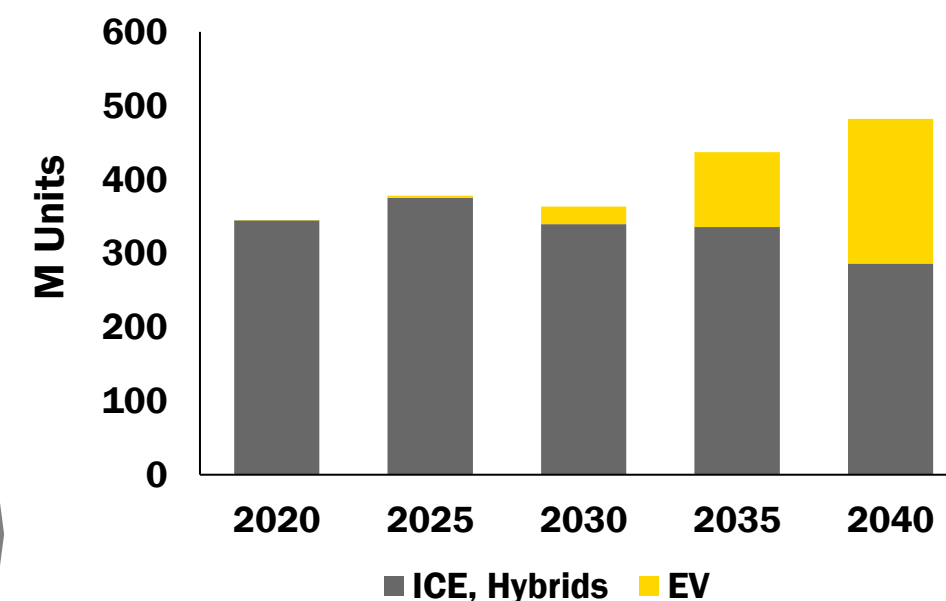
- Each year ~100M new vehicles enter the car parc
- EVs are rapidly penetrating new vehicle production
 - ~35% of total by 2030
 - ~60%+ of total by 2040

TOTAL VEHICLES IN OPERATION¹



- ~1.5B vehicles in operation globally
- Mix towards EVs is much slower ramp than the mix in OEM Production
 - ~6M vehicles globally in 2021
 - 12% of total by 2030
 - 32% of total by 2040

AGED VEHICLES IN OPERATION¹



- Vehicles 7-12 years old experience the highest replacement rates but represent ~1/3 of the total VIO
- EV penetration of the aged car parc
 - 625k vehicles globally in 2021
 - 1.0% of total by 2025
 - >40% of total by 2040

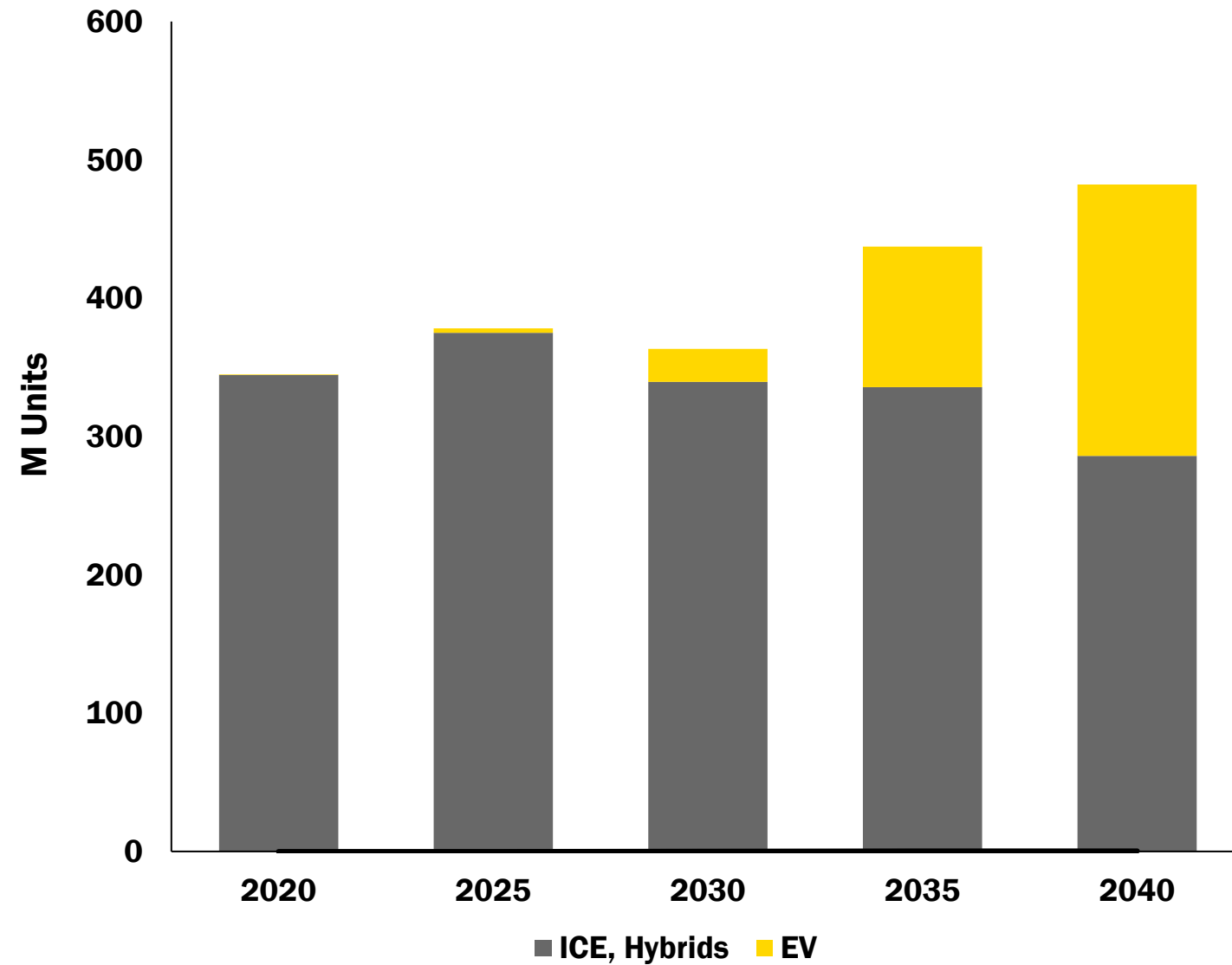
ACCELERATING ADOPTION OF ELECTRIC VEHICLES CREATES LONG-TERM GROWTH OPPORTUNITY FOR GATES



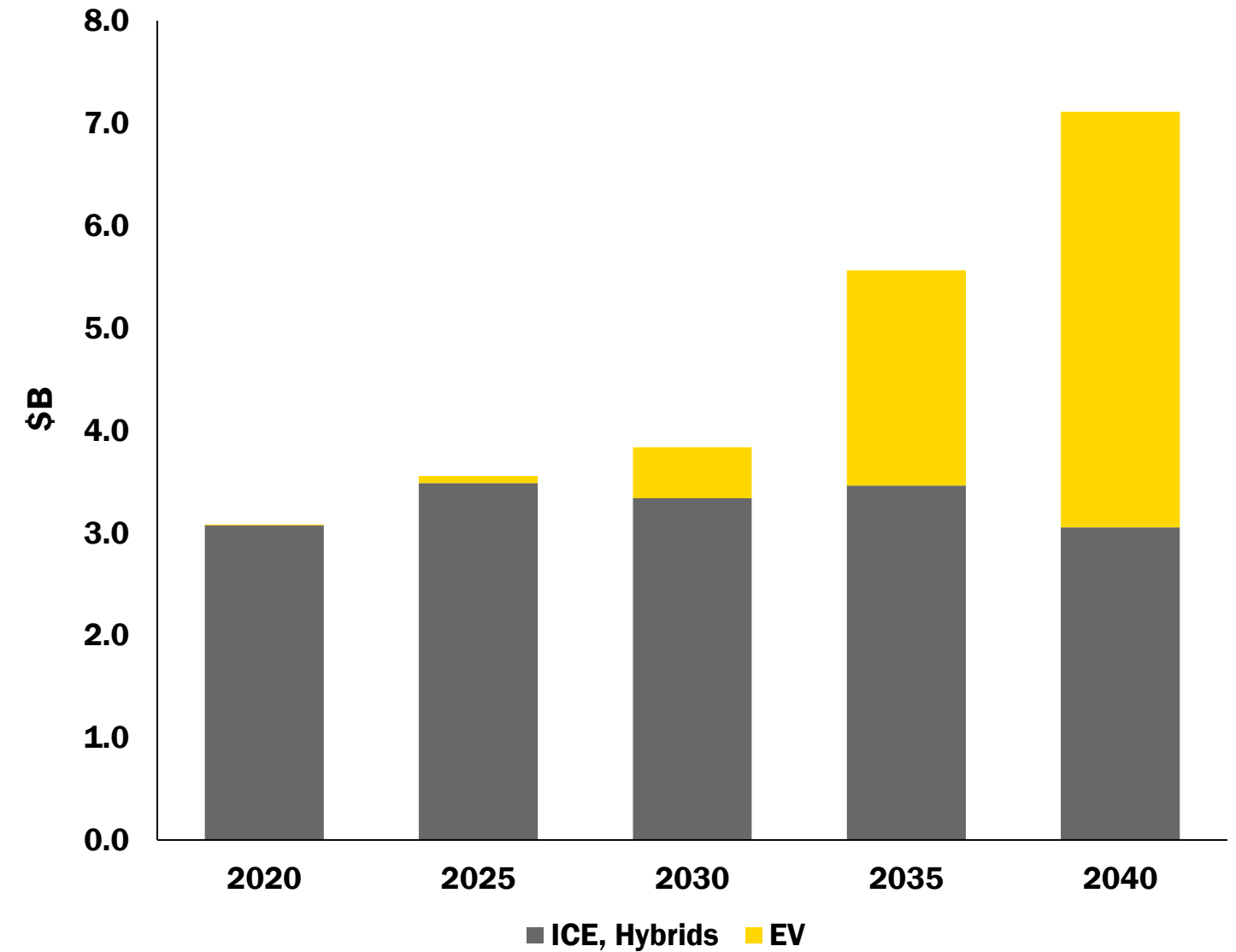
AGED AUTOMOTIVE REPLACEMENT MARKET: UNITS AND DOLLARS

38

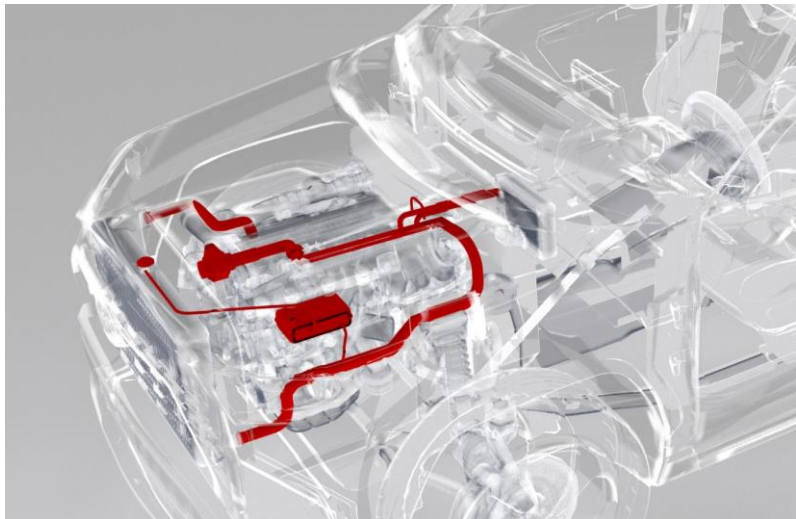
AGED CAR PARC (VEHICLES)



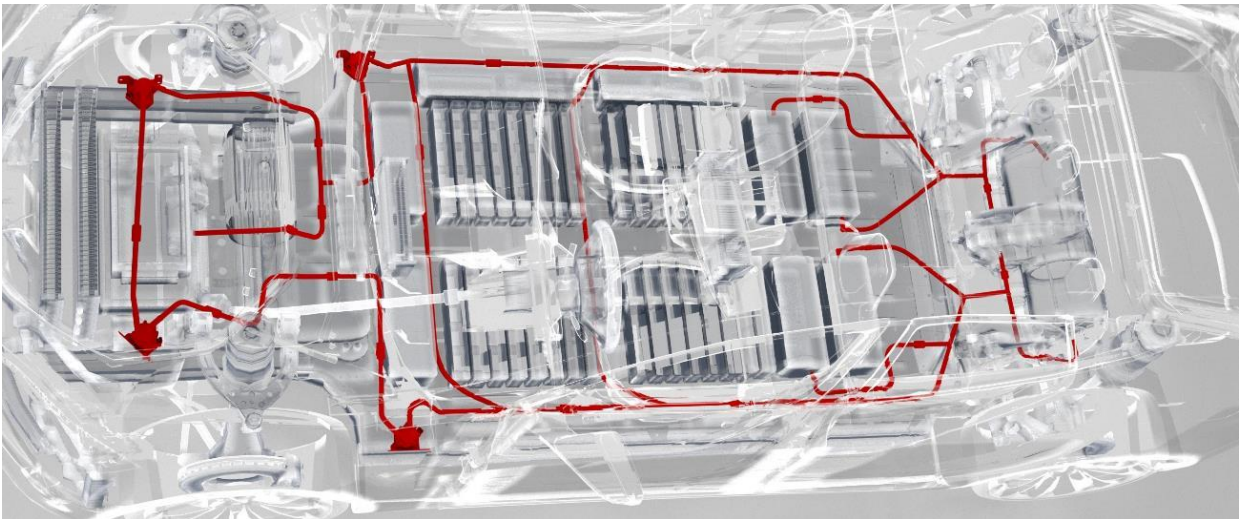
AGED REPLACEMENT MARKET








MARKET GROWTH DRIVEN BY INCREASE IN VEHICLES IN OPERATION AND INCREASING CONTENT PER VEHICLE
GATES MARKET OPPORTUNITY GROWS >2X BY 2040



Internal Combustion Engine (ICE)



Electric Vehicle (EV)

FACTOR	ICE	EV
 Duty Cycle	●●○○	●●●○
 Temperature Fluctuations	●●●●	●●○○
 Aging	●●●○	●●●○
 Road Vibration	●●●○	●●○○
 Product Complexity	●●○○	●●●●

●●●●
 Most Severe
 ○○○○
 Least Severe

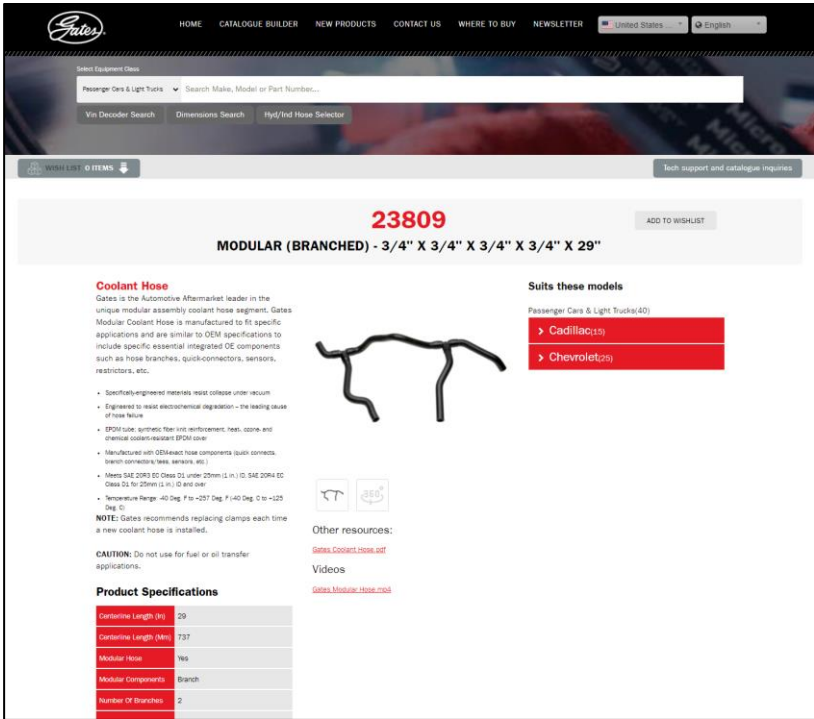
REPLACEMENT RATE ATTRIBUTES SIMILAR FOR ICE AND EV THERMAL MANAGEMENT COMPONENTS



GROWTH ENABLERS: AUTOMOTIVE REPLACEMENT

CATALOG COVERAGE

- **VIO Coverage**
 - ICE/Hybrid—Leader in every region
 - Electric Vehicles
 - 85% of N. America EVs today
 - 95%+ coverage in the mid-term
 - Position Gates as the natural choice for EV aftermarket thermal management



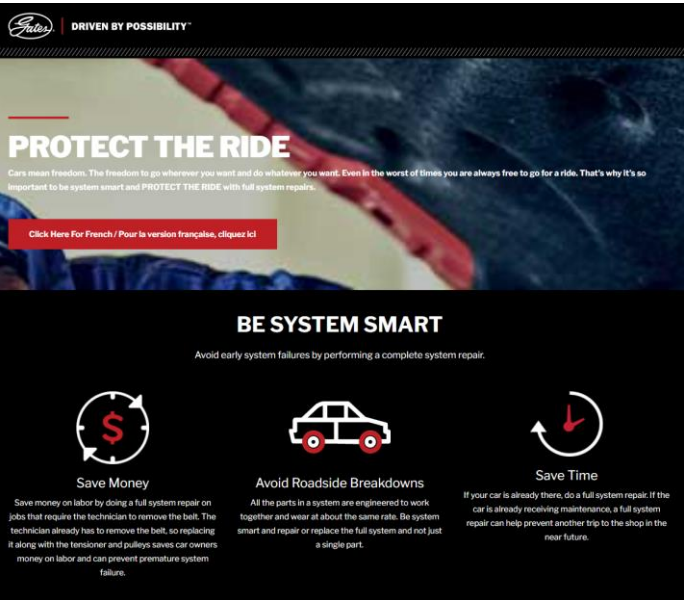
INNOVATION

- **Product Performance**
 - OEM Quality
 - Next-Generation Products—eWater Pumps and Hoses, HE Micro-V belts
- **Replacement Kits**
 - Installers have all components needed to complete job
 - Efficient solution that brings value to shop and its customer



COMMERCIAL EXCELLENCE

- **Dedicated Commercial Teams In-Region/For-Region**
 - Distributor Sales
 - Promoter Teams – call on shops to create pull
- **Innovative Marketing**
 - Category Management Support
 - Protect the Ride campaign
 - Training Programs—Installers and DIY



WE ARE STARTING FROM A STRONG, GLOBAL POSITION IN AUTOMOTIVE REPLACEMENT
GATES IS WELL-POSITIONED TO CAPITALIZE ON THE ELECTRIFICATION OPPORTUNITY

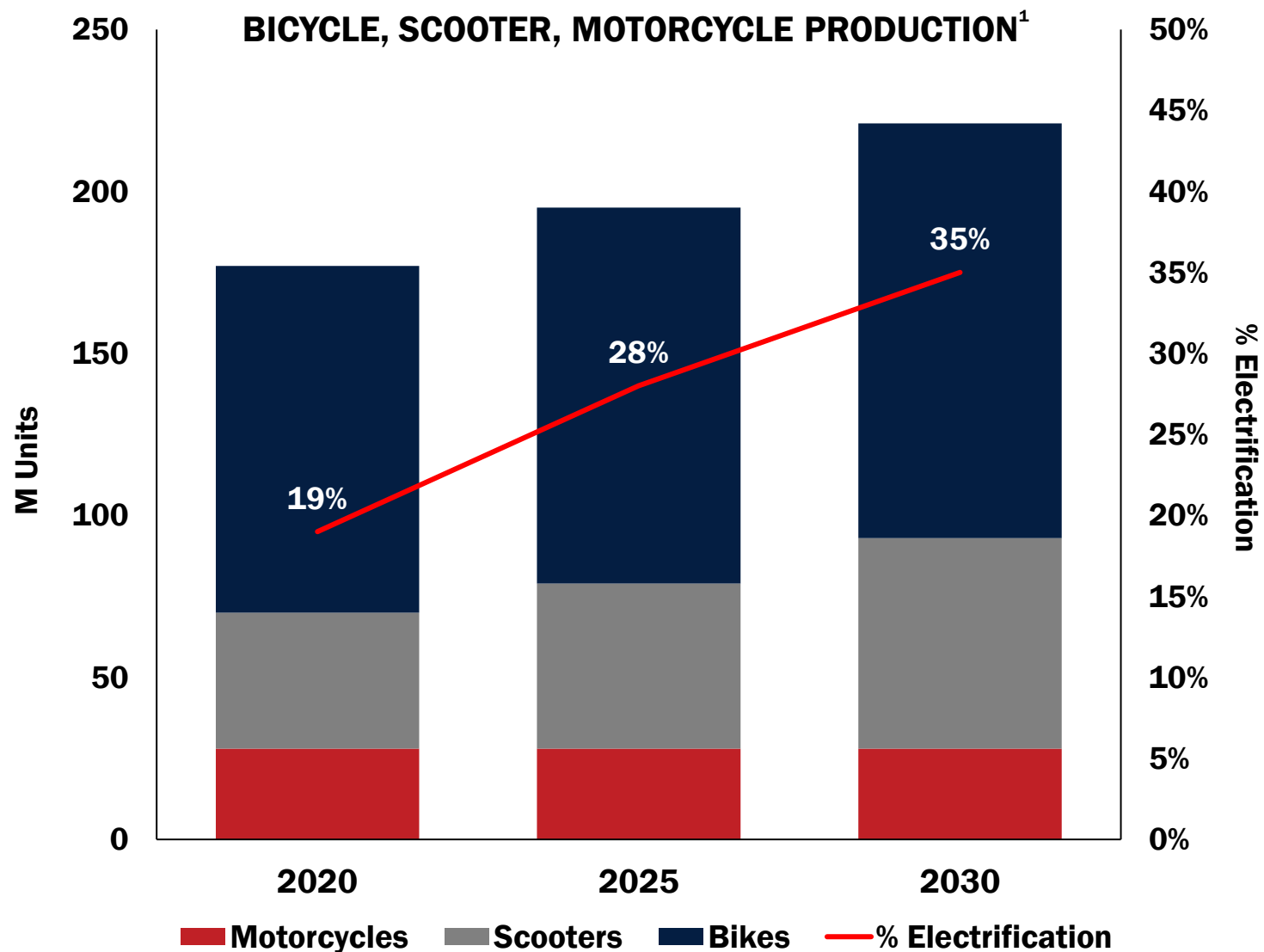


PERSONAL MOBILITY





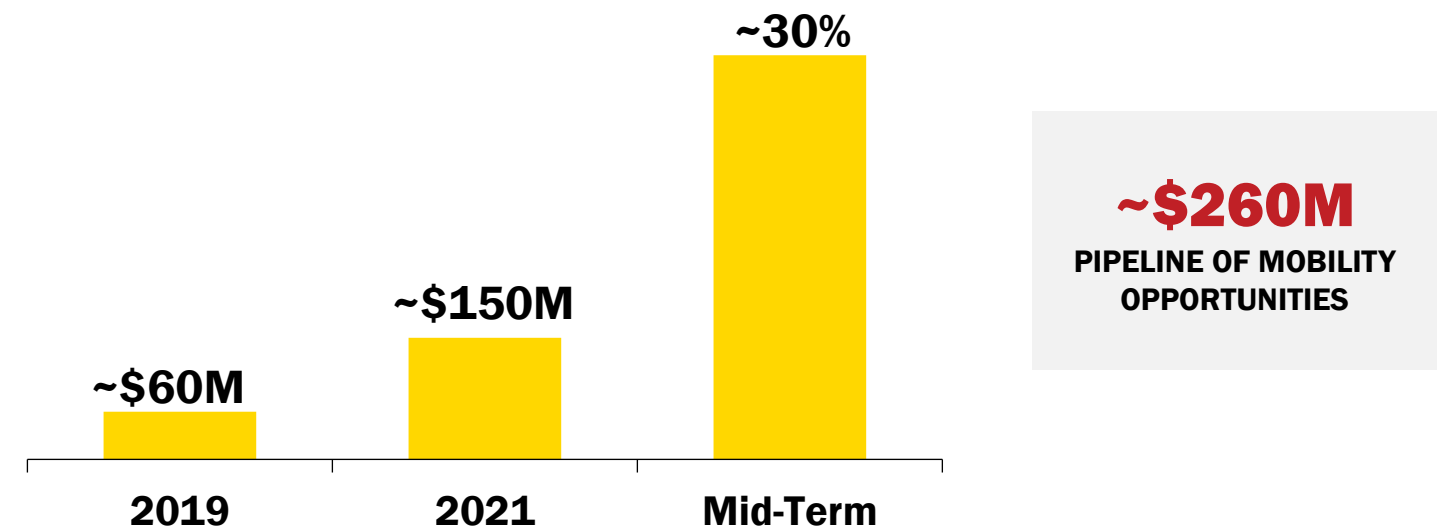
MARKET OPPORTUNITY



STRATEGIC IMPERATIVES

- Dedicated, global commercial team focused on mobility OEMs
- Continuing to develop new products to expand addressable applications and extend clean, efficient, reliable value propositions vs. chain
- Adding targeted capacity to support growth
- Launched mobility-specific design tools to accelerate adoption

PROGRESS AND TARGETS



CAPITALIZING ON SIGNIFICANT MARKET OPPORTUNITY DRIVEN BY ELECTRIFICATION AND BELT DRIVE VALUE PROPOSITIONS



TODAY

BIKE / eBIKE



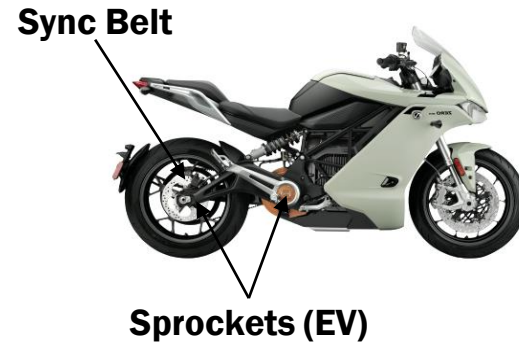
\$40 - \$200
Content Per Unit

SCOOTER / eSCOOTER



\$10 - \$110
Content Per Unit

MOTORCYCLE / eMOTORCYCLE



\$50 - \$150
Content Per Unit



ADJACENCIES

SHIFTING SYSTEMS

- Gear hubs, gear boxes, other shifting technologies

E-DRIVES

- Integrated drive motors for eBikes, eScooters

ECOSYSTEM

- Partnership or acquisition
- Development leveraging internal engineering, sourcing and manufacturing capabilities

\$50 - \$500

Incremental Content Per Unit

SIGNIFICANT CONTENT PER VEHICLE TODAY – OPPORTUNITY TO EXTEND FURTHER INTO ADDITIONAL DRIVETRAIN COMPONENTS



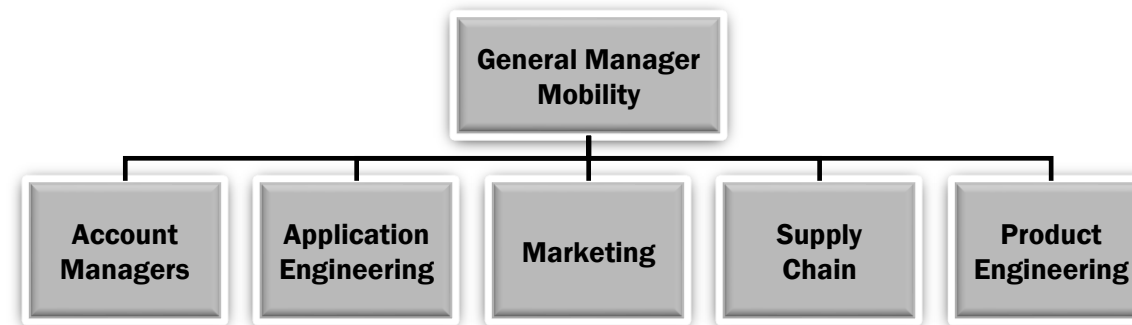
ECO-INNOVATION™



DRIVE SYSTEMS

- **Belts**
 - Solutions for Bike, Scooter, Motorcycle, Powersports and Fitness Equipment
- **Sprockets**
 - Scaling sprocket manufacturing internally and through sourcing
- **Adjacent Systems**
 - Shifting, eDrives

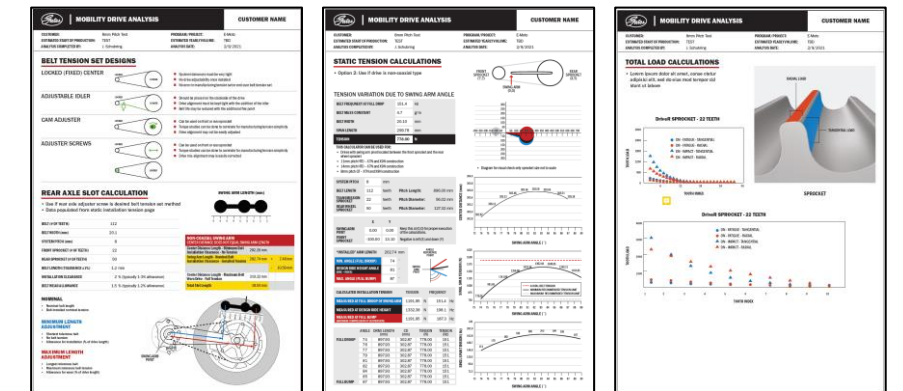
COMMERCIAL EXCELLENCE



- Dedicated, global team focused on mobility, powersports and fitness applications
- Driving significant new business
 - 130+ program wins in 2021



DIGITAL TOOLS



- Gates Design Power™ mobility-specific drive design module
 - Industry first, accelerates the drive design process
- Virtual tech days driving substantial global pipeline of opportunities

**FOCUSED COMMERCIAL EFFORTS, INDUSTRY LEADING DIGITAL TOOLS AND INNOVATIVE NEW PRODUCTS
SUPPORT GATES MARKET LEADERSHIP IN MOBILITY APPLICATIONS – TRANSITIONING FROM NICHE TO MAINSTREAM**



DIVERSIFIED INDUSTRIAL





DIVERSIFIED INDUSTRIAL END MARKET GROWTH OPPORTUNITY 46

RECENT DESIGN WINS



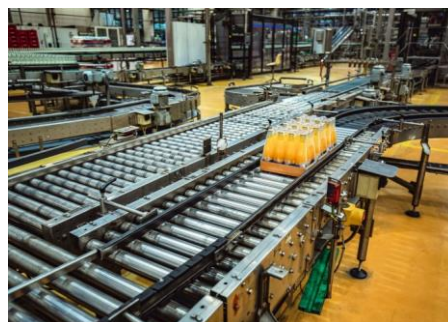
**Injection Molding
Equipment**
India



**Airport Baggage
Conveying System & HVAC**
US



Robotics
China & Japan



Food Packaging
Brazil



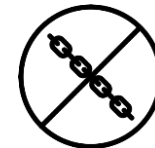
**Medical Products
Manufacturing**
US



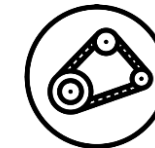
**Material Handling &
Logistics System**
Japan

ACTIONS AND INITIATIVES

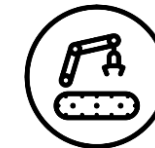
- Continue to penetrate new applications and convert alternative drive technologies through innovation and portfolio revitalization in Industrial Fluid Power and Power Transmission



**Chain-to-Belt
(C2B)**



**Belt-to-Belt
(B2B)**

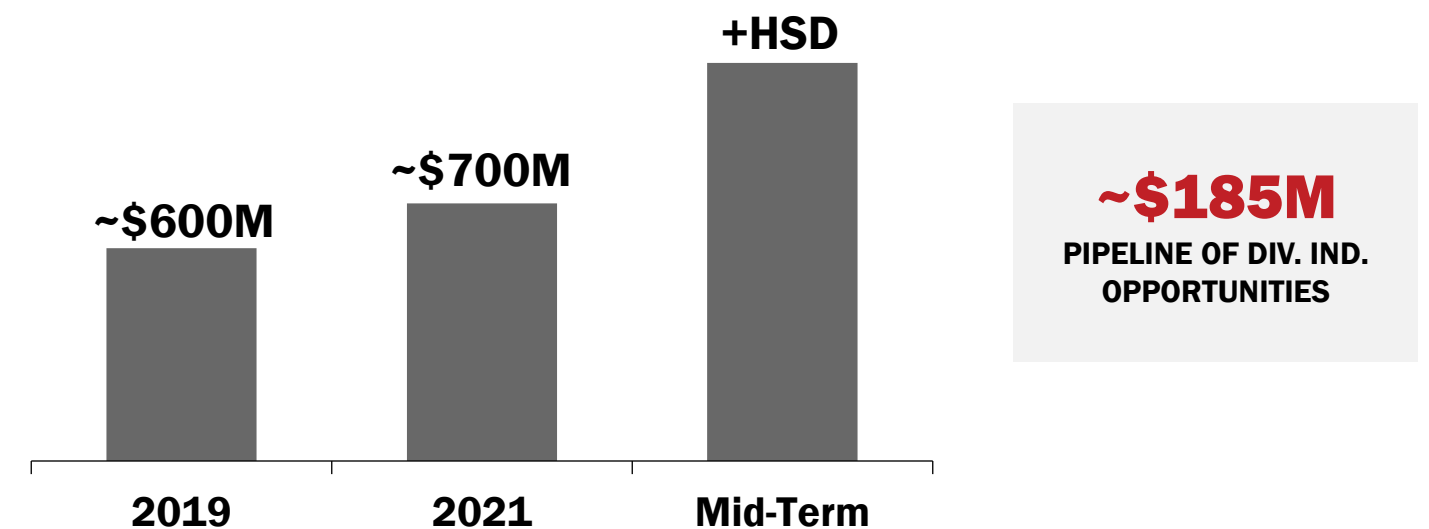


**Precision Motion
Control**



**Industrial Hose
& Hydraulics**

PROGRESS AND TARGETS



WE ARE IN THE EARLY STAGES OF MARKET ADOPTION – SIGNIFICANT OPPORTUNITY TO DELIVER GROWTH BY TAKING SHARE IN BELT AND HOSE MARKETS, AND CONVERTING ALTERNATIVE TECHNOLOGIES TO BELT DRIVES



RETROFIT APPLICATIONS

- **Distributors and End-User Operators**
- **Buying Criteria/Value Drivers**
 - Value (Total Cost of Ownership)
 - Ease of Use/Application (multi-spec)
 - Digital Tools (eCrimp, Design Power™, etc.)
 - OEM Quality & Technology
 - Product Coverage & Content to Enable eCommerce (distributors)
- **Shorter sales-cycle, but more “bunts and singles”**
- **Highly fragmented market opportunity**



GREENFIELD APPLICATIONS

- **OEMs and Machine Builders – Design-Ins**
- **Buying Criteria/Value Drivers**
 - Value (First-Cost) – Innovation driving towards cost-parity
 - Product Technology & Performance
 - Application and Systems Engineering support
 - Digital Tools (eCrimp, Design Power™, etc.)
 - In-Region/For-Region Footprint
- **Longer sales cycle, but more “doubles and triples”**
- **Annuity once designed in**

**ESG TAILWINDS DRIVING MARKET ADOPTION ACROSS ALL CUSTOMER SEGMENTS
REPLICATING WHAT ENABLED SUCCESS IN MOBILITY BY INCREASING FOCUS ON GREENFIELD APPLICATIONS**



ECO-INNOVATION™



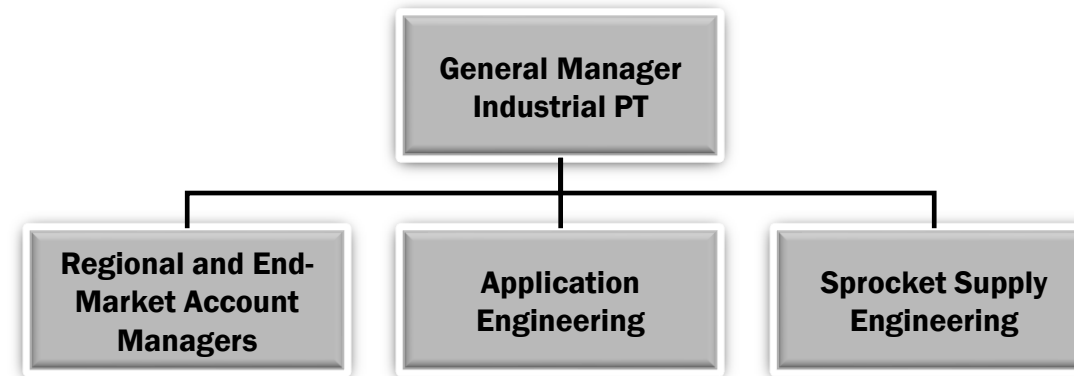
DRIVE SYSTEMS

- **Belts**
 - Broad application coverage; higher-temperature applications where chains have typically been required
- **Sprockets**
 - R&D underway

FLUID POWER SOLUTIONS

- **Hoses**
 - Lighter, more-flexible and abrasion-resistant hoses

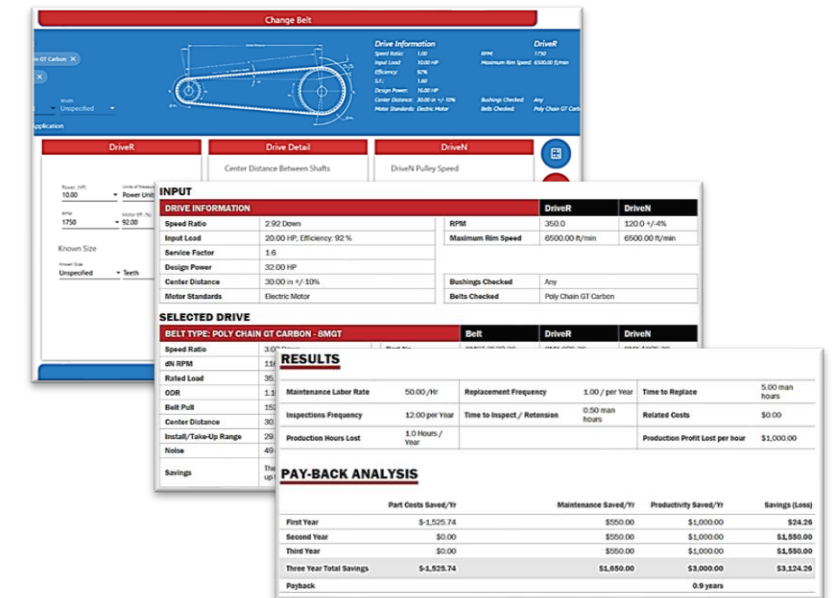
COMMERCIAL EXCELLENCE



- **Piloting dedicated C2B team in Japan focused on applications at machine builders**
- **Representative wins:**
 - Warehousing Systems, Semiconductor Manufacturing Equipment, Robotics, Food & Beverage Production, Safety Mask Manufacturing Equipment, Cement Processing, Luggage Sorting Systems, HVAC and many others



DIGITAL TOOLS

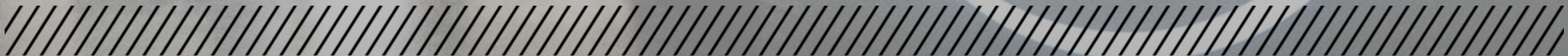


- **Gates Design Power™ Drive Design Software**
 - Accelerates and optimizes drive design
 - Empowers customers by making it easy to design their own drives

FOCUSED COMMERCIAL EFFORTS, INDUSTRY-LEADING DIGITAL TOOLS AND ECO-INNOVATION™ EXTENDING PRODUCT PERFORMANCE ENABLE NEW MARKET OPPORTUNITIES FOR GATES



INORGANIC GROWTH





SUPPORT ORGANIC GROWTH

- “Gates-like” Characteristics – Highly Engineered Industrial Products, Natural Replacement Cycle, Critical Application
- Drive Sustained Above-Market Growth – Differentiated Technologies
- Customer and Channel Partnerships

CLEAR SYNERGY POTENTIAL

- Substantial Scale and Scope-Related Margin Improvements
- Apply Gates Manufacturing Expertise to Drive Productivity and Cost Reduction
- Use our Unique Assets and Positioning to Generate Returns

RETURN CRITERIA

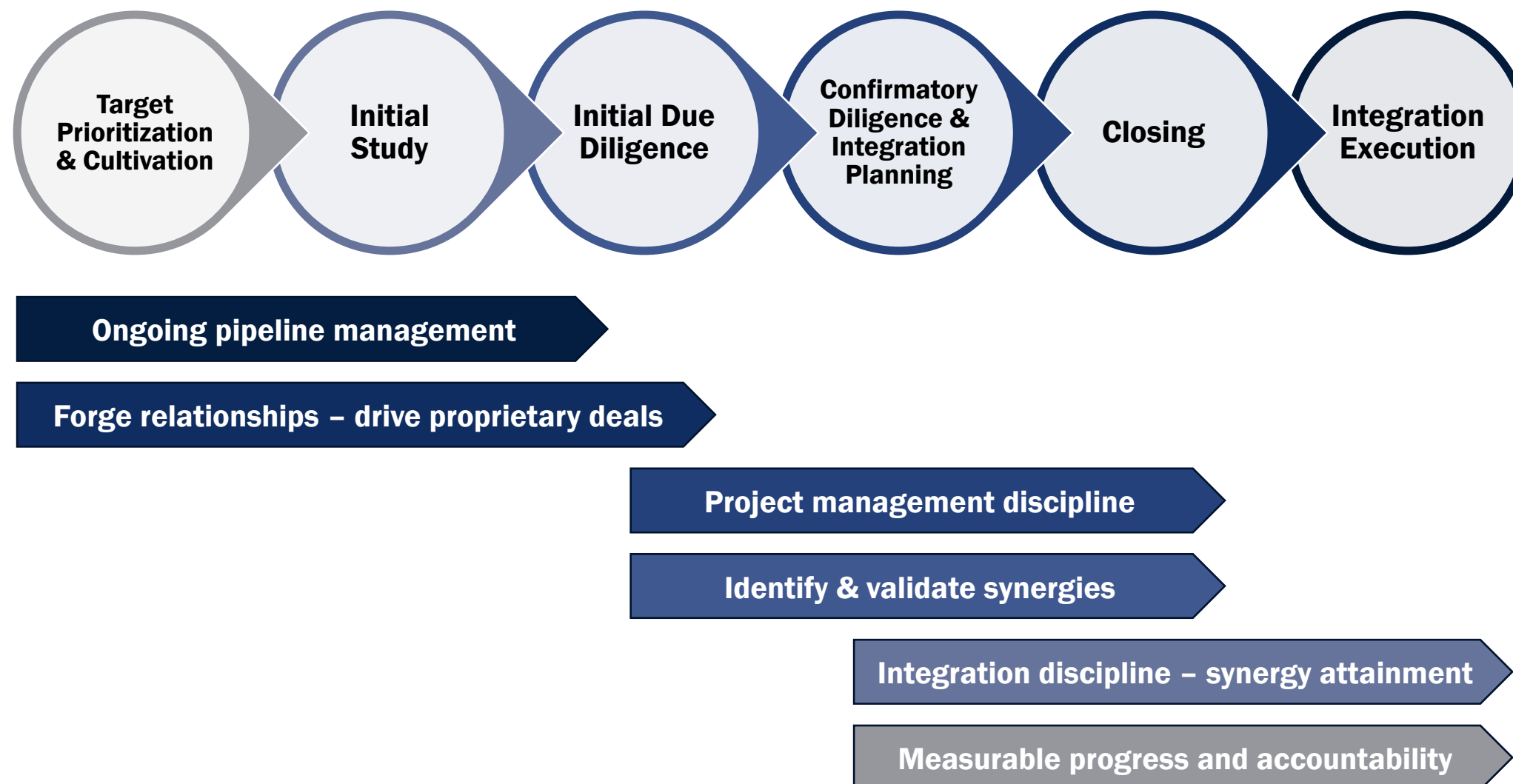
- Double-Digit ROIC by Year 3
- Capable of Delivering Accretive Margins
- Integration Targets Tied to Synergies and Return Generation

ROBUST PIPELINE OF OPPORTUNITIES – TARGETING LSD+ INORGANIC GROWTH



GATES ACQUISITION FRAMEWORK

Disciplined, stage-gate process for pipeline cultivation and transaction execution



ACQUISITION TARGET ENVIRONMENT

- Substantial number of bolt-on and near-adjacent targets
- Priority list is actively managed and cultivated
- Criteria are aligned with our strategy: high-quality providers of engineered components i) used in critical applications and ii) with natural replacement cycles

200+
Companies in Pipeline

150+
Targets with Diversified Industrial Exposure

160+
Targets Outside North America

DISCIPLINED EXECUTION – SIGNIFICANT INORGANIC GROWTH POTENTIAL



MARKET GROWTH



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



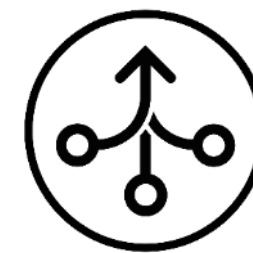
INITIATIVE GROWTH



- New Product Innovation
- Geographic Expansion
- Growth Initiatives



M&A GROWTH



- Adding Platforms
- Diverse Landscape
- Investments in Place to Support Synergies

**ORGANIC
MSD**

**INORGANIC
LSD+**

INVESTMENTS IN PLACE TO ACCELERATE ORGANIC GROWTH, STRENGTHENED BALANCE SHEET SUPPORTS M&A OPTIONALITY



PARTICIPATING IN ATTRACTIVE MARKETS

- **Large, Global, Core Markets**
- **Strong Secular Trends**

INVESTING IN GROWTH ENABLERS

- **Eco-Innovation™ Supporting Portfolio Revitalization**
- **Digital Tools Improving The Customer Experience and SG&A Efficiency**
- **Commercial Teams Focused on Growth**

EXECUTING STRATEGIC INITIATIVES

- **Initiatives Delivering Above-Market Growth**
- **Significant Runway for Growth**

M&A AS A GROWTH ACCELERATOR

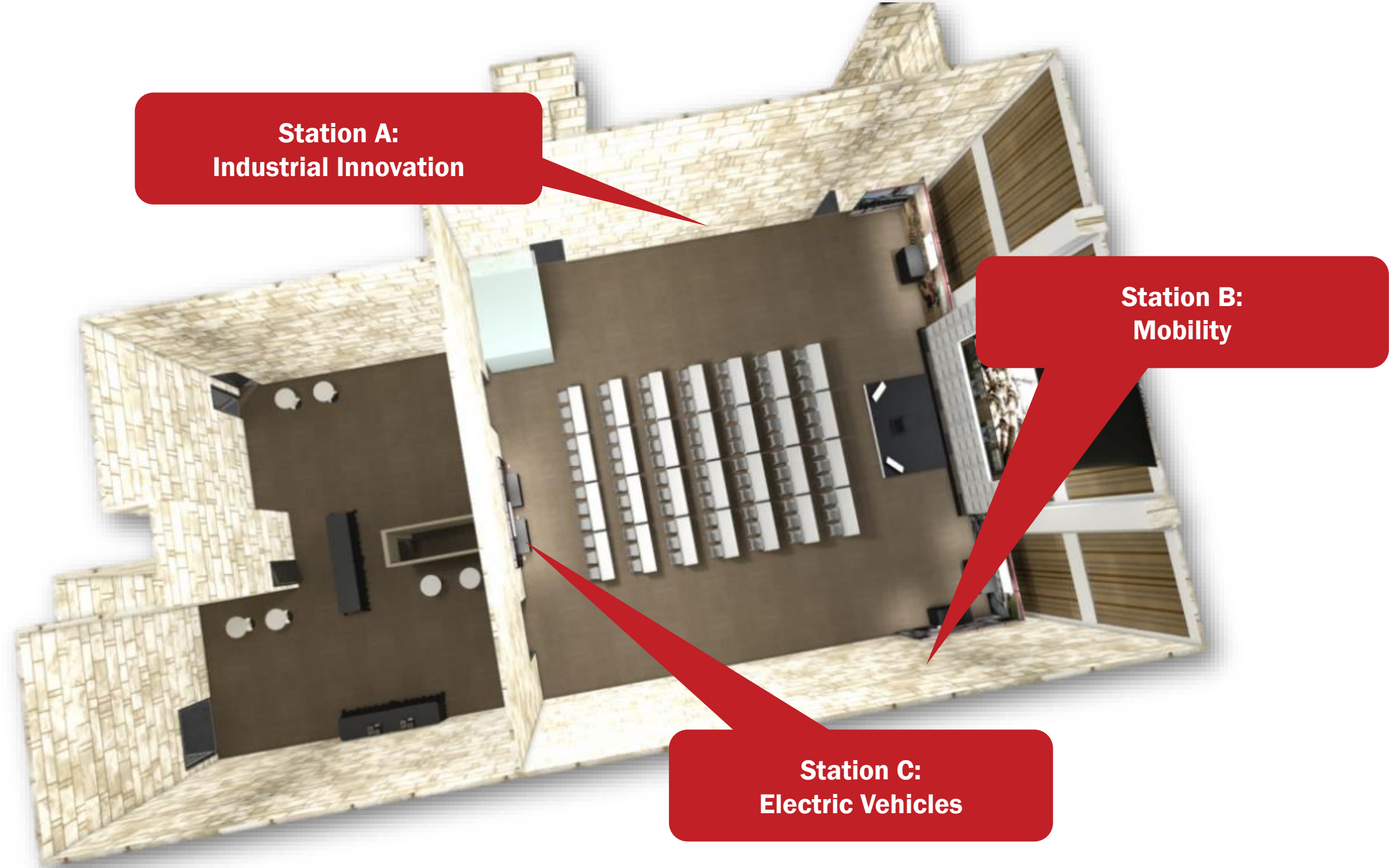
- **Balance Sheet Provides Optionality**
- **Team and Process in Place with Robust Pipeline Activity**
- **Remaining Disciplined**



TECHNOLOGY SHOWCASE



- **Check the letter on the back of your badge and start at that station**
- **Rotate through each station at the prescribed times from A to B to C, and so on**

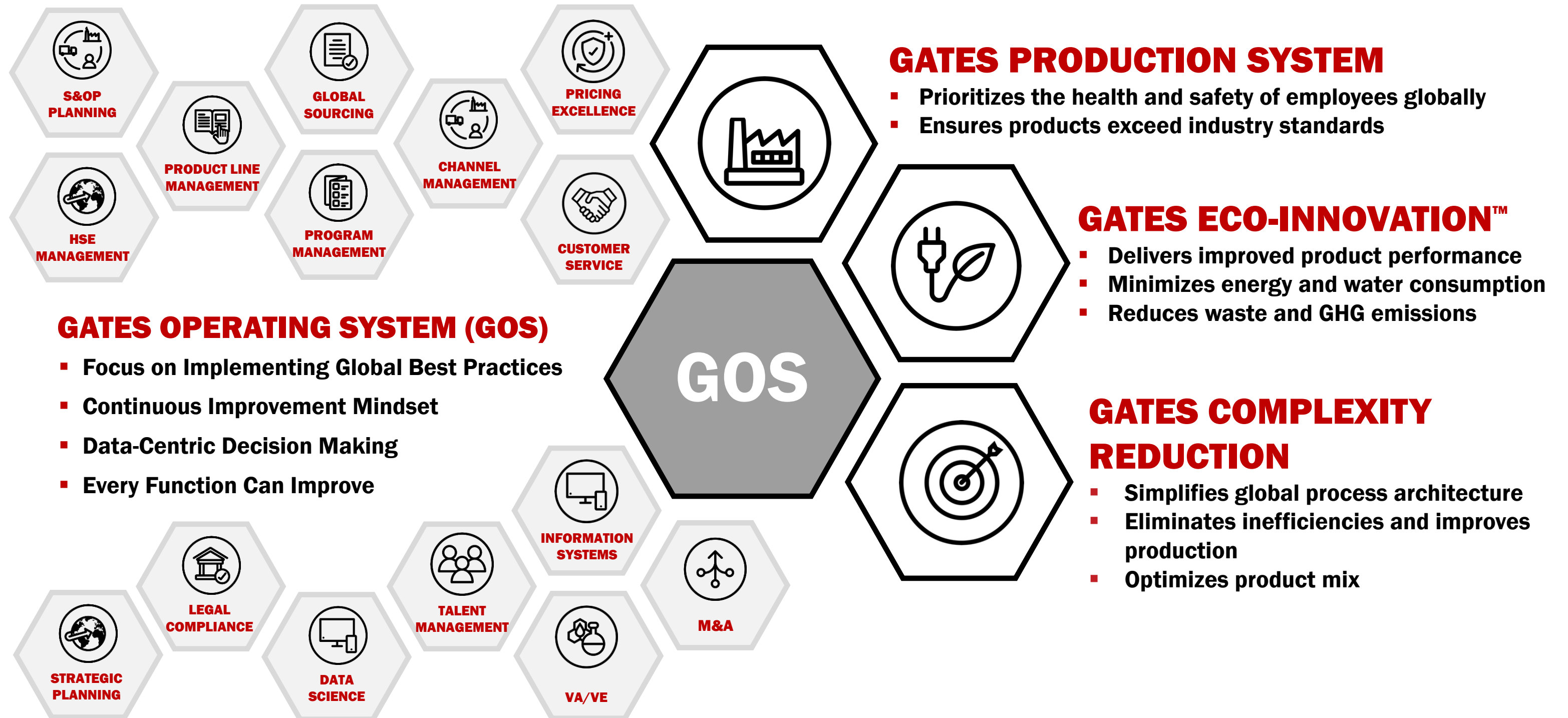




OPERATIONAL EXCELLENCE






WALT LIFSEY
COO





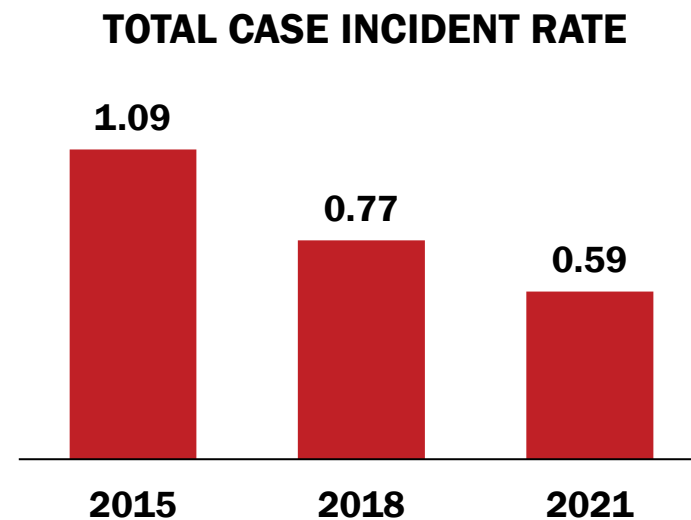


GATES PRODUCTION SYSTEM




-  **Health and Safety**
-  **Quality**
-  **Optimize Machine Efficiency, Uptime and Utilization**
-  **Continuous Improvement**
-  **Linkage to Eco-Innovation™**

SAFETY

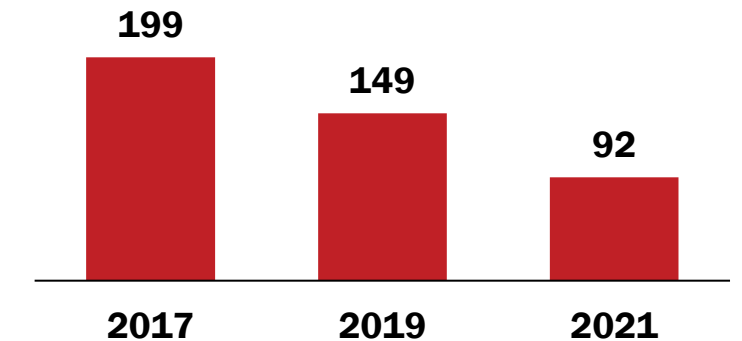
-  **Substantial reduction in the frequency and severity of health and safety incidents**







QUALITY

-  **Significantly Reduced Customer Returns**
-  **Reduced Cost of Poor Quality 9%**
-  **Reduced Customer Incident Rate 37%**

CUSTOMER DEFECT RATE PPM



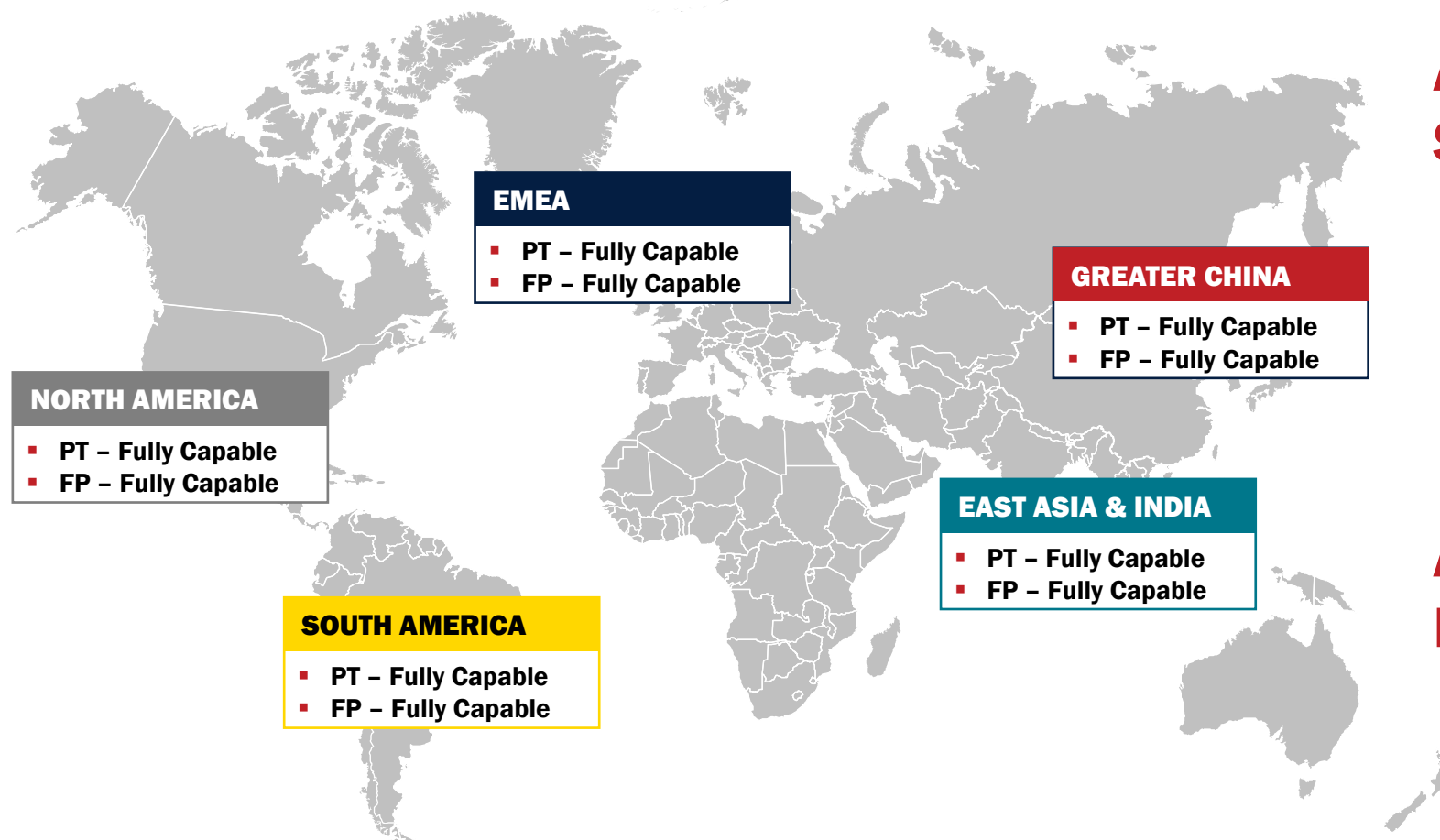
CONTINUOUS IMPROVEMENT

-  **Optimize Maintenance and Machine Availability**
-  **Right-size Staffing to Maximize Output**
-  **Standardize Work**
-  **Globalize Best Practices**

GPS DELIVERING SUSTAINABLE IMPROVEMENTS TO OUR OPERATING RESULTS



IN-REGION/FOR-REGION



- Every region capable of supporting local demand and flexing capacity to support other regions as needed
- Reduces need to ship product between regions

SOURCING

ALTERNATE SOURCES

- Qualified & validated alternative sources for most constrained materials
- >75% of total spend sourced in-region/for-region
- Insourced constrained items for critical components
- Trade policy and ESG initiatives driving additional sourcing and material development approaches

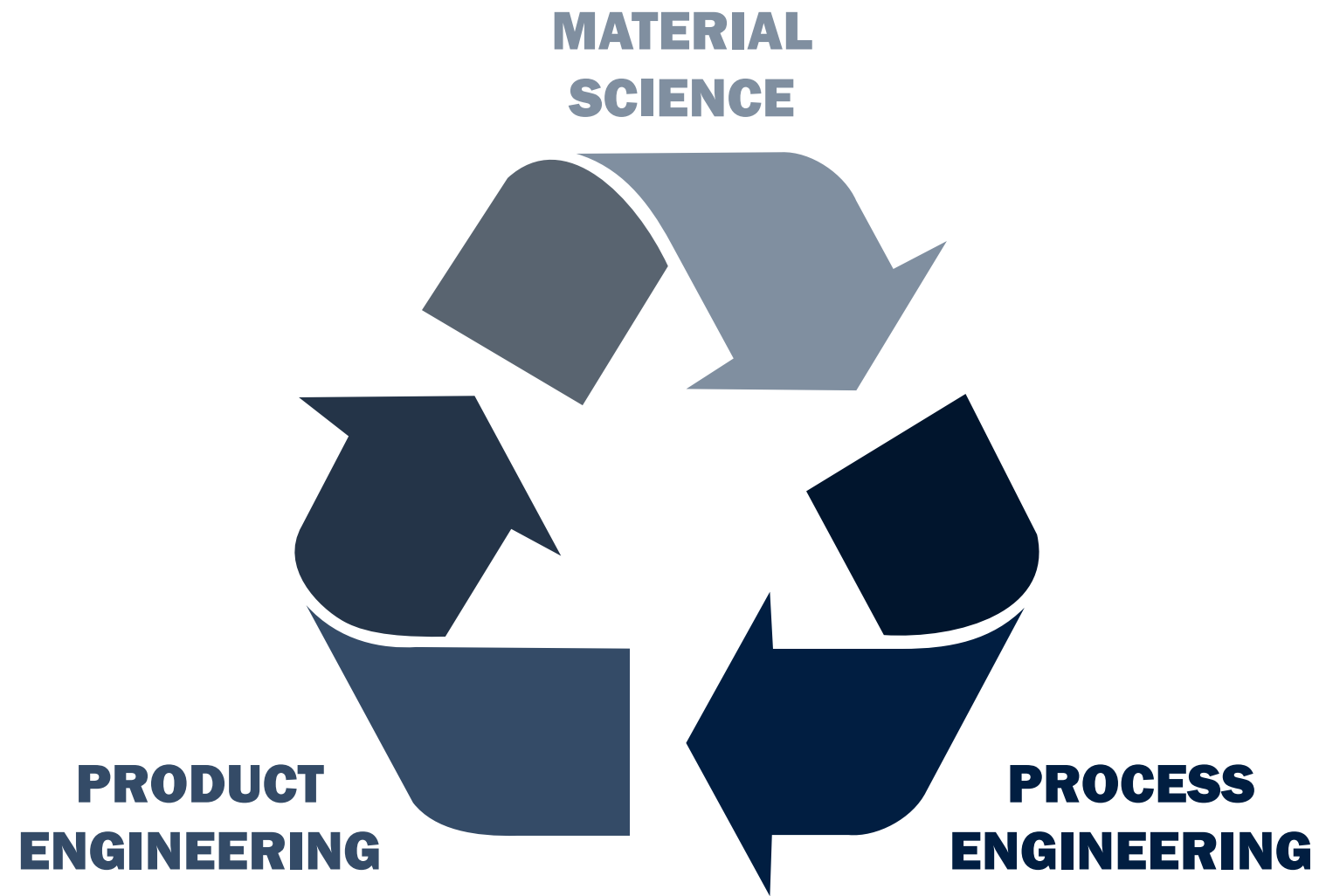
ALTERNATE MATERIALS

- Material science team focused on developing alternatives to globally constrained materials
- All new product roadmaps require locally sourced, globally interchangeable raw materials






GLOBAL PRODUCTS

- New products are globally standardized and interchangeable across production locations to provide surge capacity when needed
- Capital re-use an integral part of Eco-Innovation™

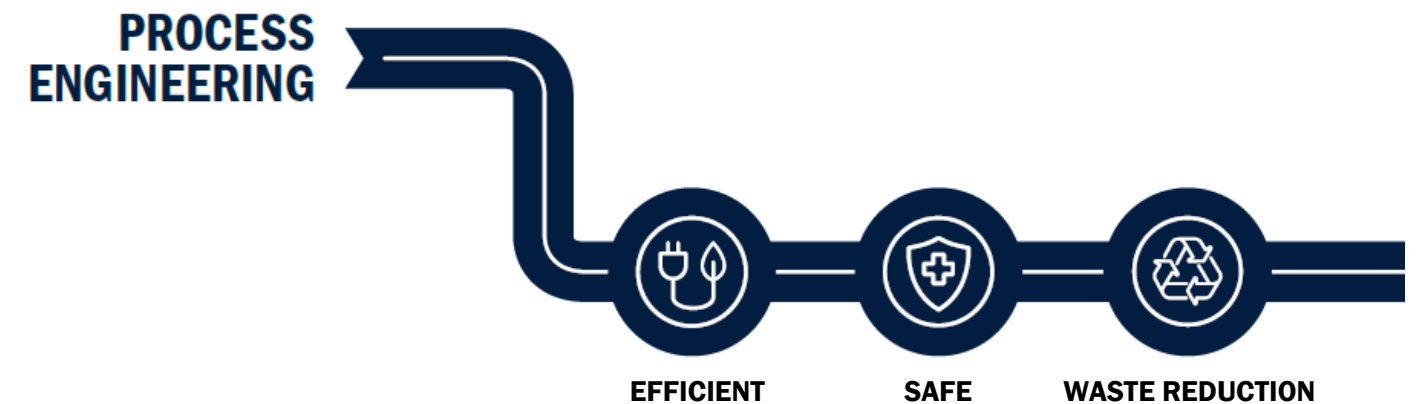
**IN-REGION FOR REGION, SOURCING AND ECO-INNOVATION™ ALL SUPPORT
KEEPING OUR FACTORIES OPERATIONAL AND PRODUCTS FLOWING TO OUR CUSTOMERS**



IMPACT ON OUR OPERATIONS

-  **Designing Out Production Inefficiencies**
-  **Reducing Waste** **(9%)**
-  **Reducing GHG Emissions** **(23%)**
-  **Decreasing Water Consumption** **(17%)**
-  **Lowering Energy Consumption** **(15%)**

Since 2018¹



ECO-INNOVATION™ DRIVING SUSTAINABILITY AND OPERATIONAL IMPROVEMENTS



ECO-INNOVATION™ WIRE BRAID HYDRAULIC HOSE

61

TRADITIONAL TWO-WIRE BRAID



- Conventional wire-braid technology
- More wire and elastomer material
- More complex manufacturing process
- Limited ability to differentiate

REVOLUTIONARY INTEGRATED TWO-WIRE BRAID



- Proprietary design and process
- Higher-density wire pack
- Higher tensile strength
- Exceeds industry standards
- Lighter weight
- More flexible
- Lower profile
- Patent granted in 2021



(24%)

Staffing

+34%

Daily Production

(50%)

Power Consumption (kWH)

(11%)

Annual Steel Braid (tons)



**MATERIAL AND PROCESS ADVANCEMENTS ENABLE BREAKTHROUGH PRODUCT PERFORMANCE,
IMPROVE OPERATIONAL EFFICIENCY AND INCREASE CAPACITY**

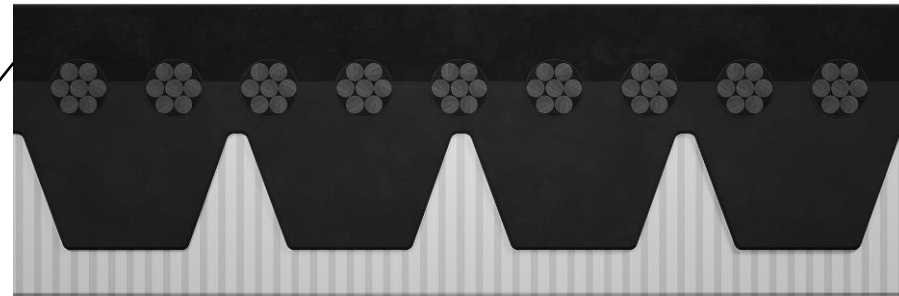


ECO-INNOVATION™ MICRO-V BELTS AND HIGH-SPEED PRODUCTION CELL

62

LEGACY MICRO-V BELT

Multiple-
Elastomers
increase
production and
sourcing
complexity



>20% of the starting material
is ground away during the
manufacturing process

NEXT-GENERATION HIGH-EFFICIENCY MICRO-V

Thinner overall
profile requires
less material AND
is more efficient to
operate



Molded design and
production process
eliminate grinding
– no material
wasted

Highly-engineered rib fabric improves
wet and dry coefficient of friction,
reduces noise and enhances
misalignment performance

Single, advanced elastomer
compound simplifies the
manufacturing process

Patent Granted in 2021

(59%)
Production Square Footage

+44%
Daily Production – Existing Lines
Repurposed to Manufacture
Industrial V-Belts

(51%)
Power Consumption (kWH)

(26%)
Material Consumption (kg)



**UPGRADING OUR GLOBAL FLEET OF BELT MANUFACTURING ASSETS
AND CONSOLIDATING CONSTRUCTIONS IN NEXT-GENERATION PRODUCT PORTFOLIO**



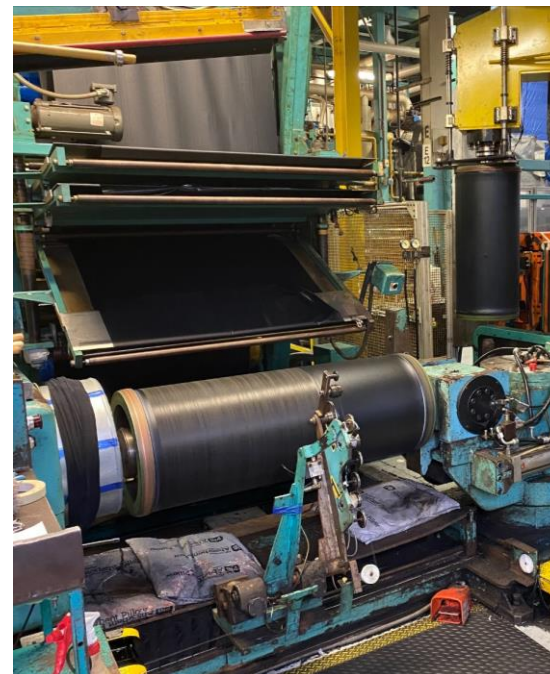
ECO-INNOVATION™ MOBILITY AND INDUSTRIAL SYNCHRONOUS BELTS

63

ADVANCED MATERIALS AND PROCESS INNOVATION



Legacy Process:
High-Pressure Cast Polyurethane Lines



Repurposed Process:
Legacy Synchronous Belt Lines

■ Process Innovation

- Newly engineered materials and construction techniques allow next-generation products to share manufacturing equipment with legacy synchronous belts, significantly expanding capacity
- Mold costs reduced by 90% vs. high-pressure casting

■ Product Innovation

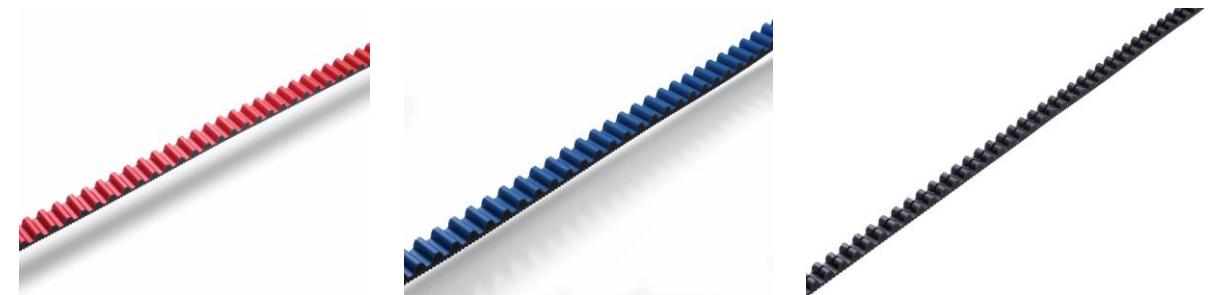
- Launching new product families that will cover new bike, eBike, scooter and motorcycle applications
- Novel materials, constructions and design modeling techniques optimize performance across wide range of parameters
- Patent pending

(6%)
Production Square Footage

233%
Daily Production

(86%)
Power Consumption KWH

(14%)
Staffing



SUPPORTING INDUSTRIAL AND MOBILITY CHAIN TO BELT INITIATIVE GROWTH WITH NEW PRODUCTS AND PROCESS TECHNOLOGY



PHASE 1 – “BELOW THE SKIN”

- Started in 2017 – ongoing
- Leveraging Eco-Innovation™ process to consolidate product constructions
- New products typically cover multiple specifications to enable consolidation



(72%)

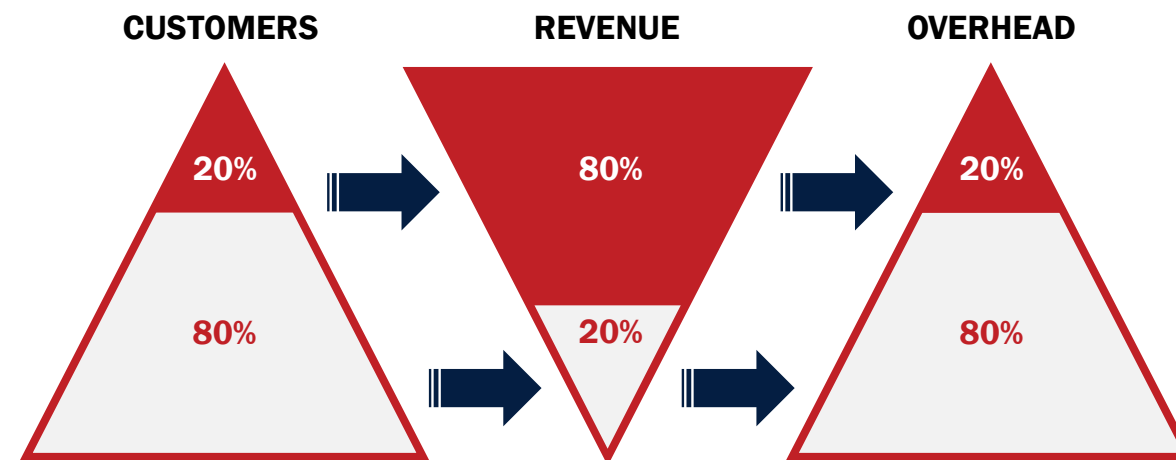
Reduction in Core Wire Braid Hydraulic Hose Build Specifications

(74%)

Planned Reduction in Core V-Belt Families over the mid-term

PHASE 2 – “ABOVE THE SKIN”

- Started in 2021
- Leveraging Gates data science capabilities



- Optimize low-volume SKU portfolio and redirect small customers
- Deploy additional value-pricing strategies for select product and market segments
- Establish alternative business models – drive fulfillment / service levels

EXPECTED OUTCOMES

SERVICE LEVEL IMPROVEMENT

WORKING CAPITAL REDUCTION

SOURCING SIMPLIFICATION

MANUFACTURING OPTIMIZATION

MARGIN EXPANSION

GROWTH

**DISCIPLINED, INNOVATION-ENABLED AND DATA-DRIVEN APPROACH TO REDUCING COMPLEXITY ACROSS OUR PORTFOLIO
SIGNIFICANT RUNWAY TO DELIVER IMPROVEMENTS**



CONTINUOUS IMPROVEMENT

- Employee Safety Top Priority | Delivering World-Class Results | Zero-Incident Culture
- Continuously Improving Quality
- Driving Asset Utilization, Efficiency and Productivity

ECO-INNOVATION™

- Enabling NPI
- Supporting Margin Expansion
- Expanding Capacity without Major Rooftop Additions
- Repurposing Existing Assets and Reducing Capital Intensity
- Engineering-In Readily Available Materials with Multiple Sources
- Reducing Waste and Driving Sustainability – Energy, GHG, Water and Waste Reduction

REDUCING COMPLEXITY

- Consolidating Product Platforms Through Innovation
- Executing SKU and Customer Simplification
- Yielding Measurable Improvements



FINANCIAL SUMMARY

**BROOKS
MALLARD
CFO**





2021 PERFORMANCE

- Solid financial results in 2021
- Previous mid-term leverage target surpassed

FREE CASH FLOW

- Strong cash generation expected over the mid-term, driven by profitability and focused working capital improvements

GROWTH & PROFITABILITY

- Organic investment to support growth and profitability remain key focus

CAPITAL ALLOCATION

- Additional cash deployment (stock buybacks, debt paydown) will further contribute to strong EPS accretion
- Disciplined approach to M&A supported by strengthened balance sheet



2021 PERFORMANCE

**CORE
REVENUE
GROWTH**

21.7%

**ADJUSTED
EBITDA MARGIN**

21.2%

**ADJUSTED EPS
GROWTH**

95.7%

**FREE CASH
FLOW GROWTH**

22.3%

- Above-market growth driven by new products and focused growth initiatives
- Delivered solid incrementals of 34% in dynamic operating environment
- Reduced leverage from 4.3x to 2.6x, delivering mid-term target

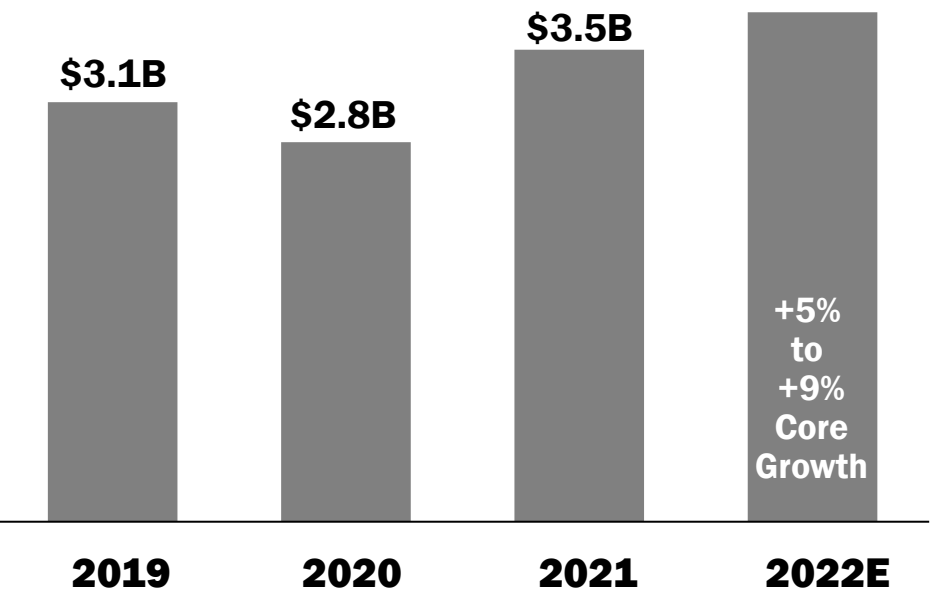
STRONG FOUNDATION TO DRIVE FUTURE GROWTH AND FREE CASH FLOW GENERATION



HISTORICAL PERFORMANCE

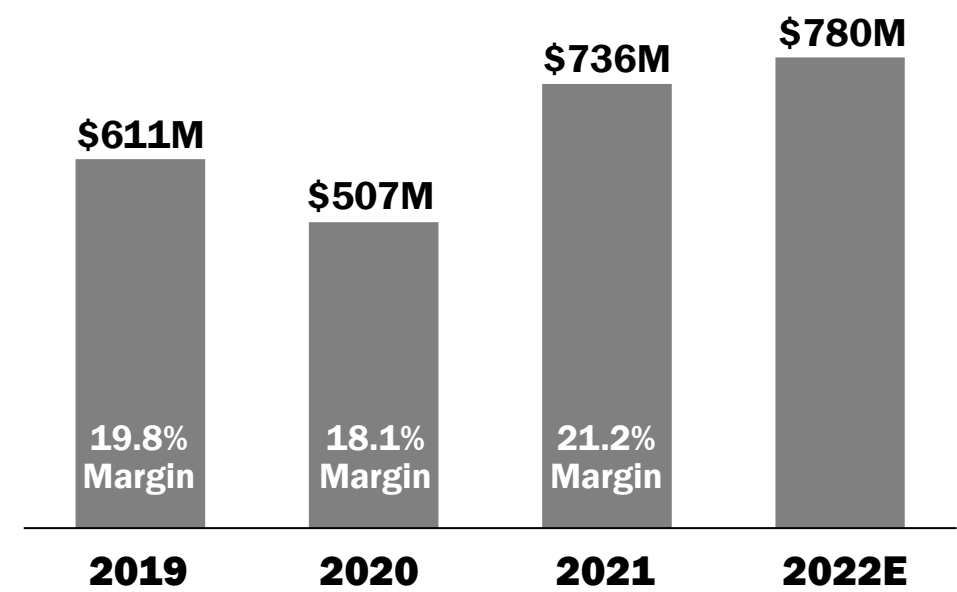
69

REVENUE



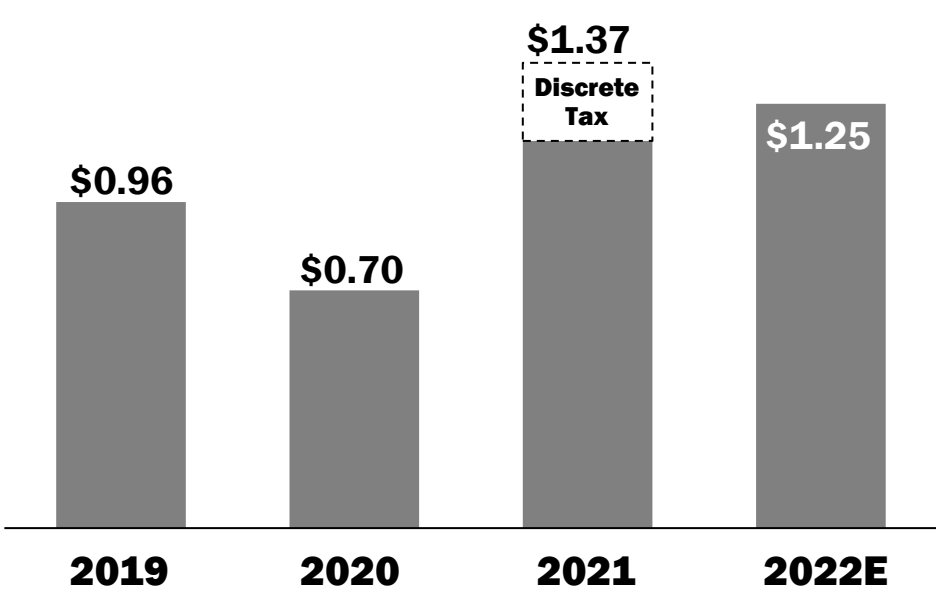
- Consistent track record of above-market growth
- Growth initiatives and new products driving outperformance
- Exposure to key secular trends provide backdrop for continued growth

ADJUSTED EBITDA



- Solid incremental margins in 2021 while navigating inflation, supply chain and COVID challenges
- Key operational initiatives in place to reduce cost and increase productivity
- Commercial initiatives expected to drive volumes at gross margins above company average

ADJUSTED EPS



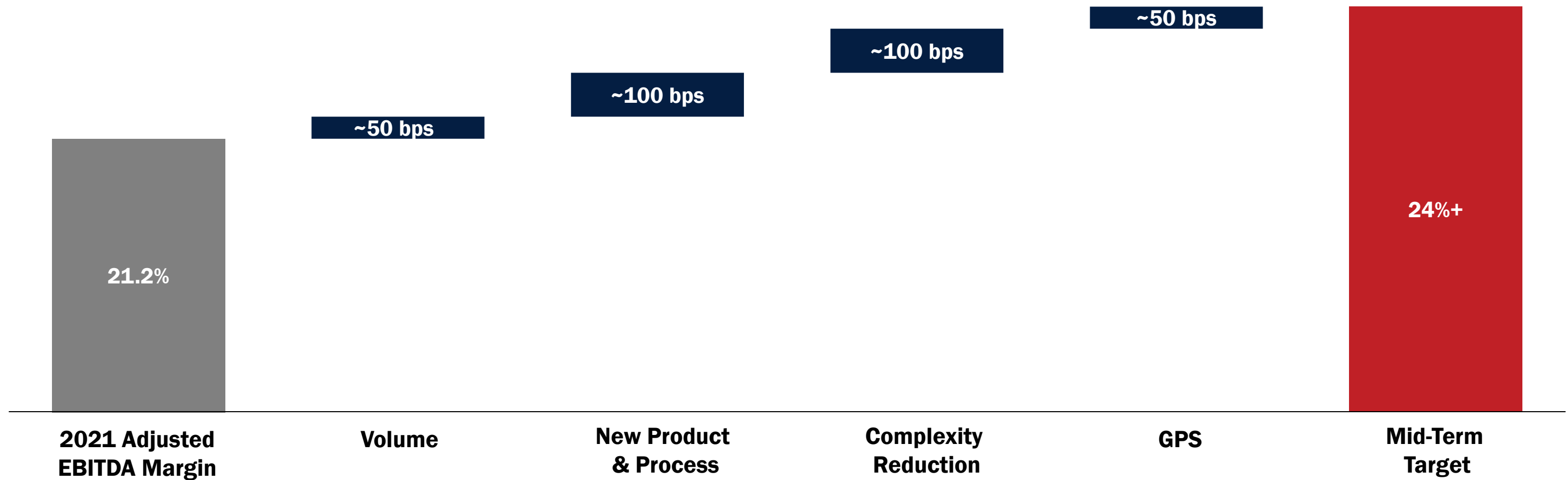
- Growth in Adjusted EPS driven primarily by higher operating income
- Capital allocation provides opportunities to improve EPS through interest reduction and share repurchases
- 2021 discrete tax benefits are a \$0.23 headwind in 2022



MARGIN EXPANSION OPPORTUNITY

70

- Growth initiatives focused on higher-margin products
- Investments in new products and process innovation driving cost, complexity and output improvements
- GPS initiatives embedded in culture of continuous improvement
- Complexity reduction initiatives driving commercial, product design and operational upside



SIGNIFICANT RUNWAY FOR MARGIN EXPANSION OVER THE MID-TERM



SIMPLIFY THE FRONT END

- Simplifying the front end and enhancing our digital tool set allows us to service our customers better and drive higher growth

REDUCE COMPLEXITY “ABOVE THE SKIN”

- Product and customer complexity reduction to drive improved profitability and inventory optimization

STANDARDIZE THE SUPPLY CHAIN

- Supply chain standardization and simplification to improve service and supply chain costs

STANDARDIZE THE BACK END

- Back-end standardization and the use of automation and system tools to reduce SG&A expense and improve process capabilities

COMPLEXITY REDUCTION INITIATIVES WILL DRIVE REVENUE GROWTH, COST REDUCTION AND INVENTORY OPTIMIZATION



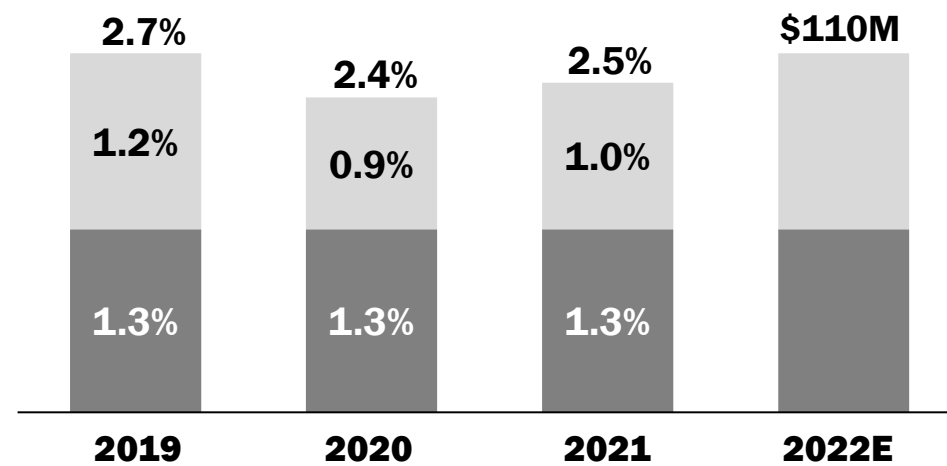
ORGANIC INVESTMENT DRIVING ATTRACTIVE RETURNS

72

CAPEX

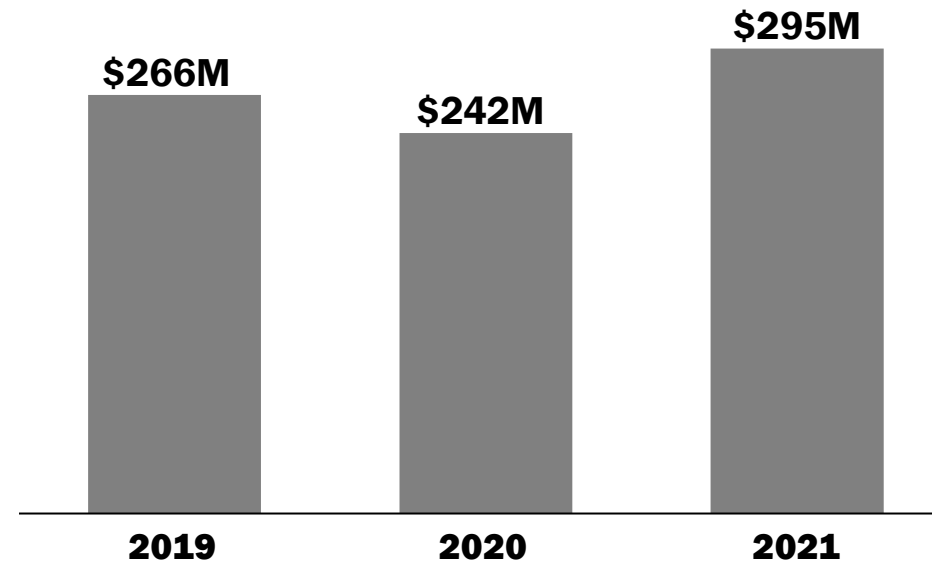
(% of Sales)

■ Maintenance ■ Growth



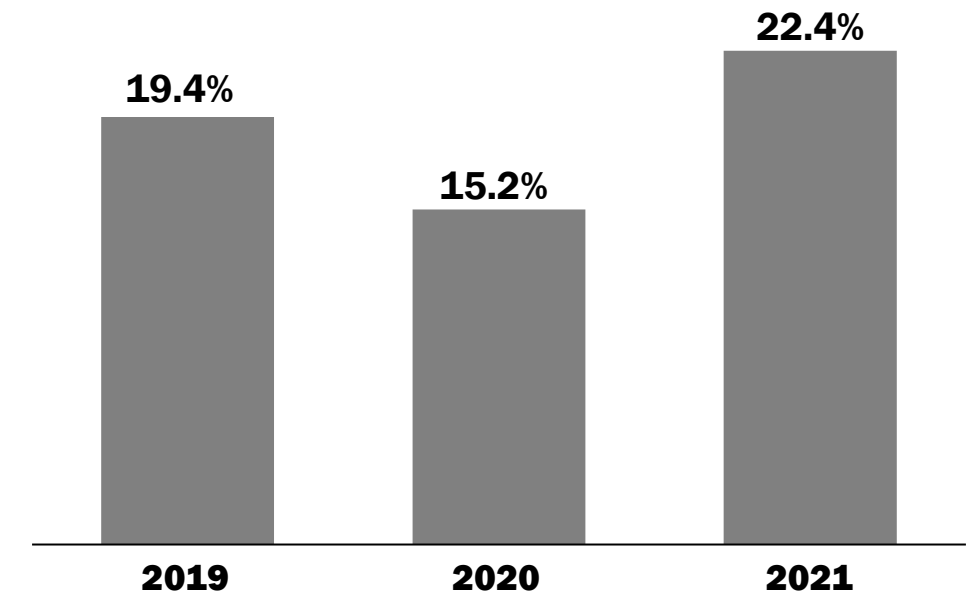
- Ongoing capital investment intensity is relatively low
- Prioritizing investment to support growth and cost-out initiatives

FREE CASH FLOW



- Strong Free Cash Flow generation through the cycle
- Initiatives in place to improve working capital efficiency
- Optimization of capital structure expected to increase Free Cash Flow

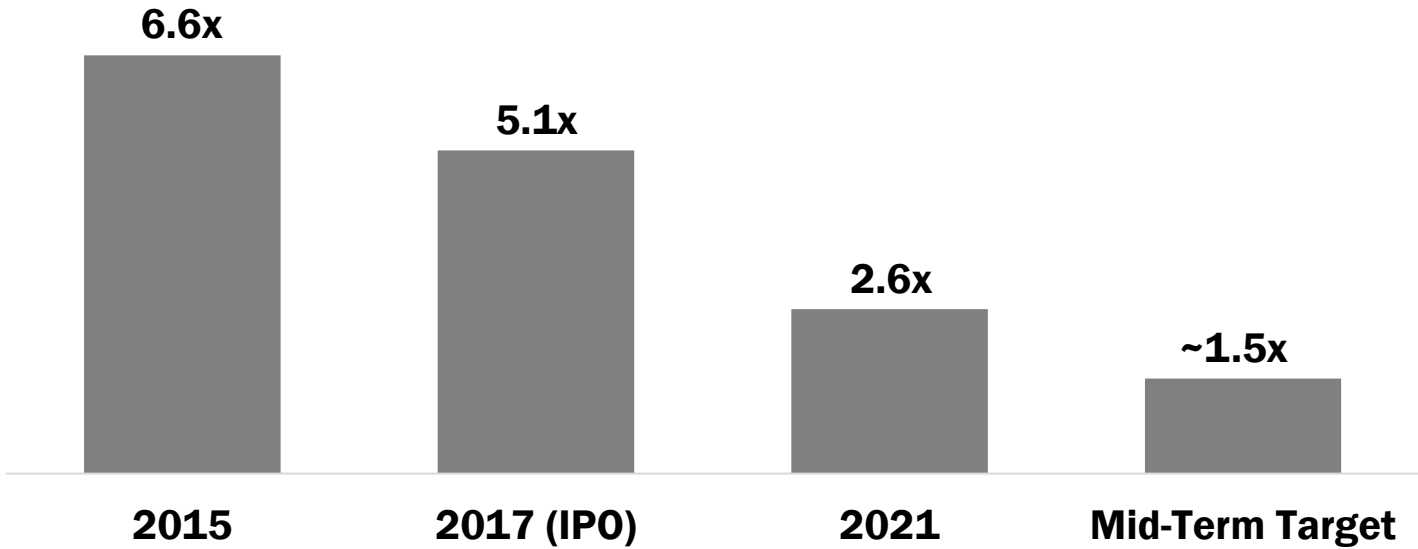
ROIC



- Attractive returns on invested capital
- Higher operating income driving increase in ROIC
- Capital allocation opportunities expected to drive improved ROIC



NET DEBT / ADJ. EBITDA



CAPITAL STRUCTURE¹ (AS OF 1/1/2022)

FACILITY	RATE	MATURITY	BALANCE
USD First-Lien Term	L+250	Mar 2027	\$1,364M
EUR First-Lien Term	E+300	Mar 2024	\$648M
Bonds	6.25%	Jan 2026	\$568M
\$250M ABL	L+125	Nov 2026	Undrawn
\$250M Revolver	L+225	Nov 2026	Undrawn

- Majority of debt synthetically fixed through at least June 2025
- \$580M of debt repaid since IPO in January 2018

CAPITAL POSITION (AS OF 1/1/2022)

FINANCIAL METRICS	
Gross Debt	\$2,579M
Less: Cash	\$658M
Net Debt	\$1,921M
Gross Debt/Adj. EBITDA	3.5x
Net Debt/Adj. EBITDA	2.6x

CREDIT RATINGS

AGENCY	RATING/OUTLOOK
Moody's	B1 (Stable) <ul style="list-style-type: none">Upgraded February 2022
S&P	B+ (Stable) <ul style="list-style-type: none">Revised and affirmed November 2021

STRONG, FLEXIBLE BALANCE SHEET PROVIDES CAPITAL ALLOCATION OPTIONALITY

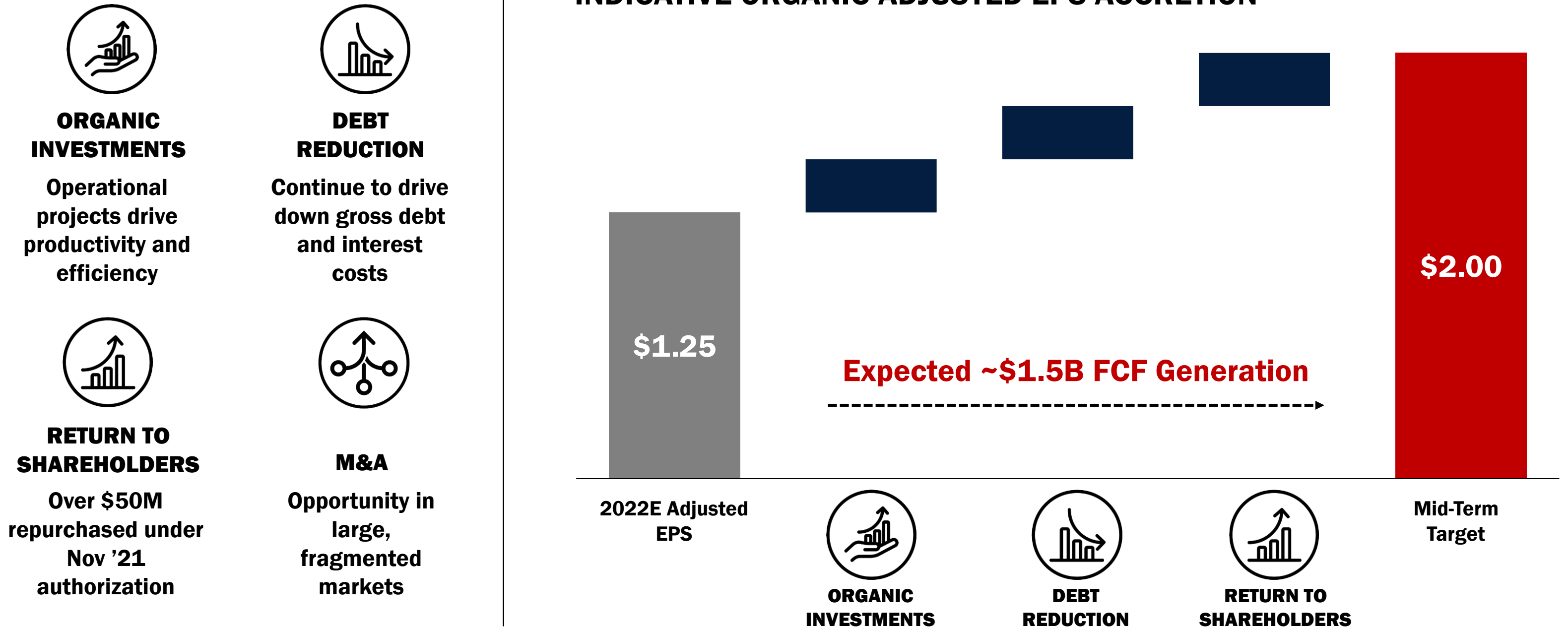
⁽¹⁾ See SEC filings for credit agreements and pricing grid



CAPITAL DEPLOYMENT DRIVING EPS GROWTH

74

INDICATIVE ORGANIC ADJUSTED EPS ACCRETION



BALANCED CAPITAL DEPLOYMENT TO SUPPORT GROWTH AND SHAREHOLDER RETURNS



FULL YEAR

CORE REVENUE GROWTH

5% – 9%

ADJUSTED EBITDA

\$755M – \$805M

ADJUSTED EPS

\$1.20 – \$1.30

CAPITAL EXPENDITURES

\$100M – \$120M

FREE CASH FLOW CONVERSION

> 90%

- Affirming full-year outlook
- Outlook accounts for continuing material availability challenges and COVID labor disruptions
- Adjusted EPS includes operating improvement of \$0.15 offset by \$0.27 of tax and other headwinds at midpoint, primarily due to benefit from discrete tax items in 2021



METRIC
Revenue
Adj. EBITDA Margin
Adj. EPS
Free Cash Flow
Adj. ROIC
Net Leverage

2022 MID-TERM TARGETS
+MSD% Organic
24%+
\$2.00
100% Conversion
Mid-Teens Margin
25%
~1.5x

- Secular trends and new products expected to continue to drive above-market growth
- Organic investments and initiatives contributing to EBITDA margin expansion
- Complexity Reduction and GPS expected to drive 100+bps of working capital improvement over the mid-term
- Cash flow generation and profitability improvement further strengthen the balance sheet
- Organic capital deployment for internal investment, share buy back and debt paydown will drive strong EPS accretion

ORGANIC INITIATIVES AND CAPITAL DEPLOYMENT SUPPORT SIGNIFICANT SHAREHOLDER VALUE CREATION



CLOSING REMARKS

IVO JUREK





ATTRACTIVE BUSINESS FUNDAMENTALS

- **Mission-Critical Applications**
 - Cost of downtime significantly greater than the cost of our products
- **Natural Replacement Cycles**
 - Drive recurring revenues
- **Highly Engineered Industrial Components**
 - Opportunity to differentiate with Technology & Quality

ABOVE-MARKET GROWTH

- **Secular Tailwinds** supporting all end markets
- **Eco-Innovation™** expanding market opportunity
- **Growth Initiatives** delivering results
- **M&A** as a growth accelerator

GTES ESG FRAMEWORK

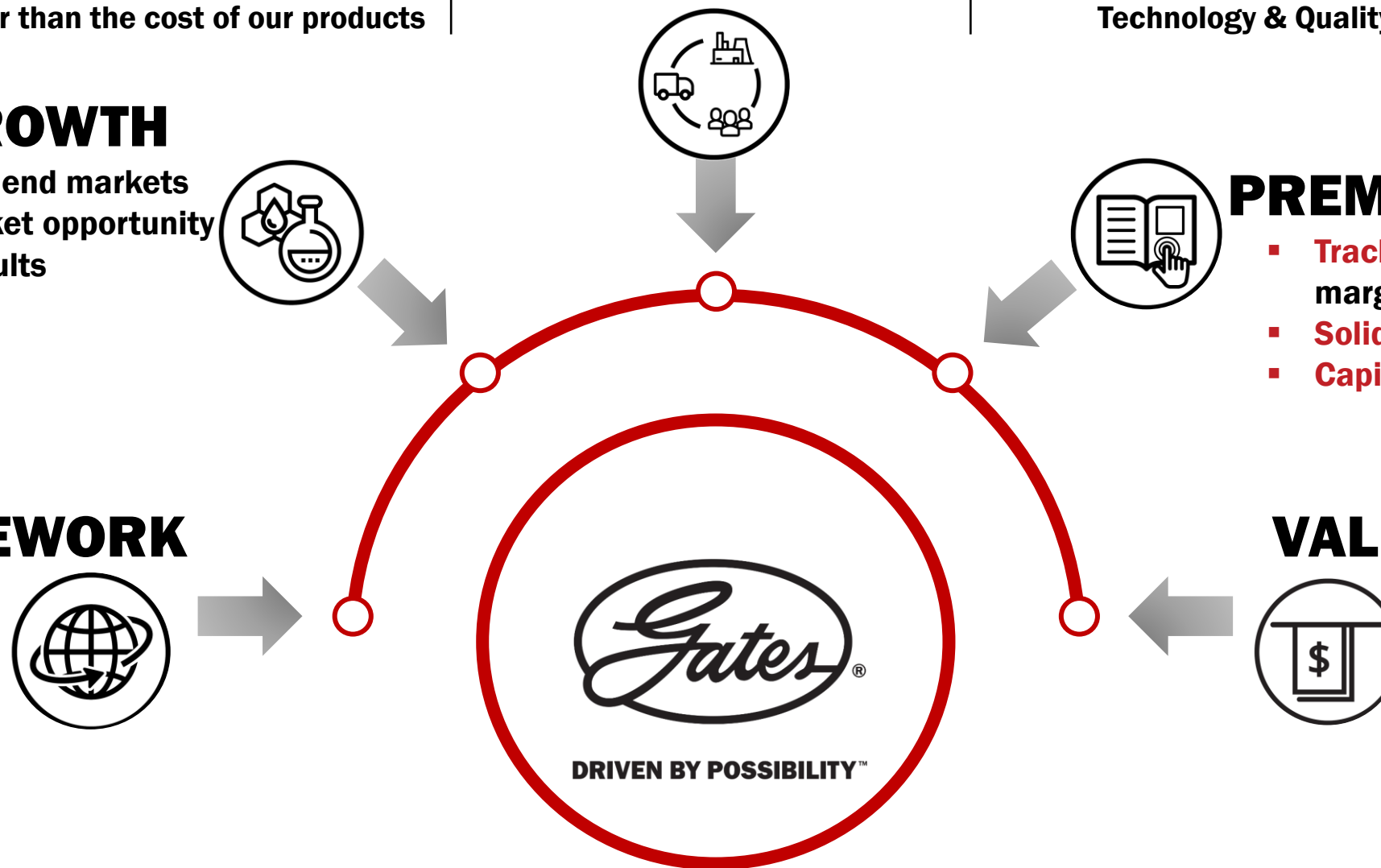
- **G – Governance**
- **T – Technology**
- **E – Environment**
- **S – Stewardship**

PREMIUM FINANCIAL PROFILE

- **Track Record** of growing topline, expanding margins, growing EPS and strong free cash flow
- **Solid Balance Sheet**
- **Capital Allocation Flexibility**

VALUATION OPPORTUNITY

- **Top-Tier Operating Performance**
- **Discount to Premium Industrials**





Q&A





APPENDIX





RECONCILIATIONS – CORE REVENUE GROWTH

(USD in millions)

FY 2021

Reconciliation of Core Revenue Growth

Net sales for the year ended January 1, 2022 ⁽¹⁾	\$ 3,474.4
Impact on net sales of movements in currency rates	(76.3)
Core revenue for the year ended January 1, 2022	\$ 3,398.1
Net sales for the year ended January 2, 2021	2,793.0
Increase in net sales on a core basis (core revenue)	\$ 605.1
Core revenue growth	21.7%

(1) Throughout this document the terms "net sales" and "revenue" are used interchangeably in reference to the GAAP measure "net sales."



RECONCILIATIONS – ADJUSTED EBITDA AND NET LEVERAGE

82

(USD in millions)

Reconciliation to Adjusted EBITDA

Net Income from Continuing Operations

Adjusted for:

	FY 2021	FY 2020	FY 2019
Net Income from Continuing Operations	\$ 331.3	\$ 90.3	\$ 694.7
Income tax expense (benefit)	18.4	(19.3)	(495.9)
Net interest and other expenses	134.4	140.1	148.0
Depreciation and amortization	222.6	218.6	222.2
Transaction-related expenses	3.7	5.2	2.6
Asset impairments	0.6	5.2	0.7
Restructuring expenses	7.4	37.3	6.0
Share-based compensation expense	24.6	19.8	15.0
Sponsor fees (included in other operating expenses)	-	1.9	6.5
Inventory impairments and adjustments (included in cost of sales)	1.4	1.4	1.2
Severance expenses (included in cost of sales)	-	1.0	4.0
Other primarily severance expenses (included in SG&A)	0.5	8.0	3.4
Other items not directly related to current operations ⁽¹⁾	(9.1)	(2.9)	2.6
Adjusted EBITDA	\$ 735.8	\$ 506.6	\$ 611.0

Adjusted EBITDA margin

Net Sales	\$ 3,474.4	\$ 2,793.0	\$ 3,087.1
Adjusted EBITDA	\$ 735.8	\$ 506.6	\$ 611.0
Adjusted EBITDA margin	21.2%	18.1%	19.8%

Reconciliation to Net Leverage

Total principal amount of debt	\$ 2,579.2	\$ 2,720.8	\$ 2,985.0
Less: Cash and cash equivalents	(658.2)	(521.4)	(635.3)
Net debt	\$ 1,921.0	\$ 2,199.4	\$ 2,349.7

Net Leverage (Net Debt divided by LTM Adjusted EBITDA)

2.6 x

4.3 x

3.8 x



RECONCILIATIONS – ADJUSTED NET INCOME

83

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

Reconciliation to Adjusted Net Income

Net Income Attributable to Shareholders

Adjusted for:

	FY 2021	FY 2020	FY2019
Net Income Attributable to Shareholders	\$ 297.1	\$ 79.4	\$ 690.1
Loss on disposal of discontinued operations	-	0.3	0.6
Amortization of intangible assets arising from the 2014 acquisition of Gates	120.3	117.5	118.2
Transaction-related expenses	3.7	5.2	2.6
Asset impairments	0.6	5.2	0.7
Restructuring expenses	7.4	37.3	6.0
Share-based compensation expense	24.6	19.8	15.0
Sponsor fees (included in other operating expenses)	-	1.9	6.5
Inventory impairments and adjustments (included in cost of sales)	1.4	1.4	1.2
Adjustments relating to post-retirement benefits	(4.6)	(4.5)	(3.2)
Financing-related FX losses (gains)	7.6	(5.3)	(0.8)
One-time net tax benefit	-	-	(513.0)
One-time non-controlling interest adjustment	-	-	(15.0)
Other adjustments ⁽¹⁾	(18.4)	(11.5)	1.6
Estimated tax effect of the above adjustments	(31.6)	(42.2)	(31.2)
Adjusted Net Income	\$ 408.1	\$ 204.5	\$ 279.3
Diluted weighted average number of shares outstanding	297,294,075	292,115,964	291,627,461
Adjusted Net Income per diluted share	\$ 1.37	\$ 0.70	\$ 0.96



RECONCILIATIONS – FREE CASH FLOW AND FREE CASH FLOW CONVERSION

(USD in millions)							
				FY 2021	FY 2020	FY 2019	
Reconciliation of Free Cash Flow							
Net Cash Provided By Operating Activities				\$ 382.4	\$ 309.0	\$ 348.9	
Capital Expenditures ⁽¹⁾				(87.0)	(67.4)	(83.1)	
Free Cash Flow				\$ 295.4	\$ 241.6	\$ 265.8	
(USD in millions)				FY 2021	FY 2020	FY 2019	
Reconciliation of Free Cash Flow Conversion							
Free Cash Flow				\$ 295.4	\$ 241.6	\$ 265.8	
Adjusted Net Income				\$ 408.1	\$ 204.5	\$ 279.3	
Free Cash Flow Conversion				72.4%	118.1%	95.2%	



RECONCILIATIONS – RETURN ON INVESTED CAPITAL (ROIC)

85

(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

	FY 2021	FY 2020	FY 2019
LTM Adjusted EBITDA	\$ 735.8	\$ 506.6	\$ 611.0
LTM Total depreciation and amortization	(222.6)	(218.6)	(222.2)
LTM Amortization of intangible assets arising from the 2014 acquisition of Gates	120.3	117.5	118.2
LTM Adjusted EBIT	633.5	405.5	507.0
Notional tax at 25%	(158.4)	(101.4)	(126.8)
LTM Tax-effected Adjusted EBIT	\$ 475.1	\$ 304.1	\$ 380.2
 Total Assets	 \$ 7,533.0	 \$ 7,426.3	 \$ 7,411.3
Adjusted for:			
Cash	(658.2)	(521.4)	(635.3)
Taxes receivable	(34.8)	(55.1)	(45.1)
Deferred tax assets	(639.3)	(672.6)	(587.1)
Prepaid taxes	(13.4)	(4.7)	(21.2)
Accounts payable	(506.6)	(417.4)	(374.7)
Intangibles arising from the acquisition of Gates	(3,557.7)	(3,755.7)	(3,788.8)
Invested Capital	\$ 2,123.0	\$ 1,999.4	\$ 1,959.1
 Return On Invested Capital	 22.4%	 15.2%	 19.4%