



**DRIVEN BY POSSIBILITY**

**MARCH 2026**





The information in this presentation is as of December 31, 2025, unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains, and management may make on our call today, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "trends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. These statements include, but are not limited to, statements related to expectations regarding the performance of the Company's business and financial results, our ability to expand our margins and deliver revenue growth. Our anticipated uses of excess free cash flow, our ability to deliver shareholder value, growth opportunities across our segments, markets and geographies (including statements about revenue base growth and compound annual growth rates for end markets), the impact of our process innovations, the success of our enterprise initiatives and their impacts on margin expansion, our targeted free cash flow conversion, and expectations regarding our net leverage ratio. Such forward-looking statements are subject to various risks and uncertainties, including, among others, U.S. policies, actions or legislation, economic, political, and other risks associated with international operations, risks inherent to the manufacturing industry, macroeconomic factors beyond the Company's control (including material and logistics availability, inflation, supply chain and labor challenges and end-market recovery), risks related to our relationships with, or the financial condition of, key channel partners, continued operation of our manufacturing facilities, supply chains, distribution systems, and information technology systems, including as a result of cybersecurity attacks or catastrophic events, our ability to forecast and meet demand and market acceptance of new products. Additional factors that could cause the Company's results to differ materially from those described in the forward-looking statements can be found under the section entitled "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the Securities and Exchange Commission ("SEC"), as such factors may be updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://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](http://investors.gates.com) for a reconciliation of historical non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP.

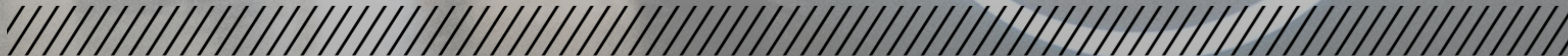
Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures, including expected Adjusted EBITDA, Net Leverage and Free Cash Flow conversion for 2026. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

ROUNDING ADJUSTMENTS

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



# OVERVIEW & STRATEGY





- 1 | Expect to Outgrow Market:** Favorable secular trends coupled with our materials science-based solutions and geographic expansion anticipated to drive future growth at 2x industrial production in the mid-term<sup>1</sup>
- 2 | Multiple Enterprise Initiatives Anticipated to Support Margin Improvement:** Material cost reduction, footprint optimization, and 80/20, expected to benefit margin expansion through 2027
- 3 | Employing Balanced Capital Allocation:** Anticipate using excess free cash flow to reduce debt, repurchase shares opportunistically and selectively pursue M&A

**WE BELIEVE WE HAVE A STRONG FOUNDATION IN PLACE TO DELIVER MEANINGFUL SHAREHOLDER VALUE IN THE FUTURE**



## 2025 COMPANY OVERVIEW

**\$3.4B**  
Revenue

**\$770M**  
Adj. EBITDA

**\$364M**  
Free Cash Flow

**23.4%**  
ROIC

**~13K**  
Employees

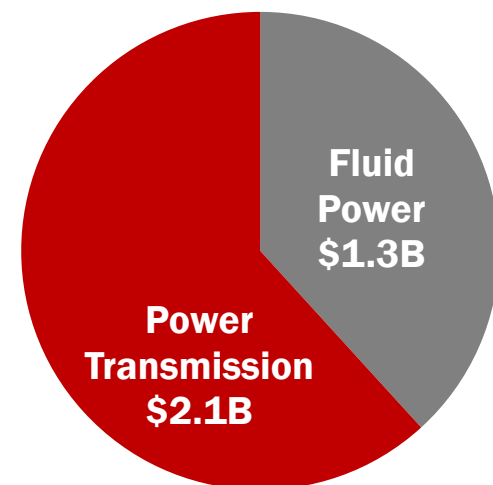
**100K+**  
Distributor  
Locations

**~700**  
Engineers

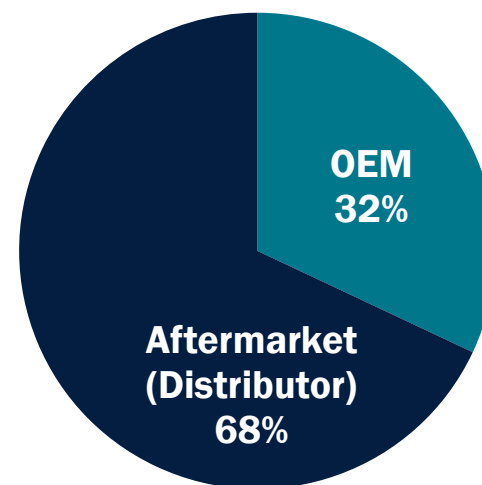
**130+**  
Countries  
Served

## REVENUE BREAKDOWN

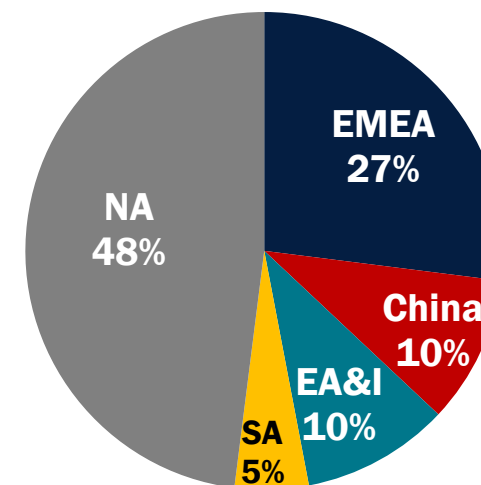
SEGMENT



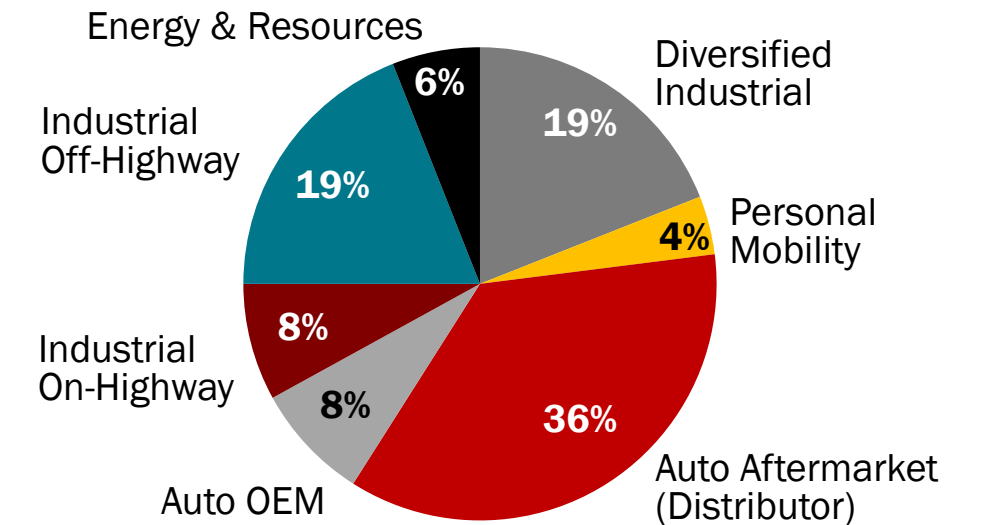
CHANNEL



GEOGRAPHY



END MARKET

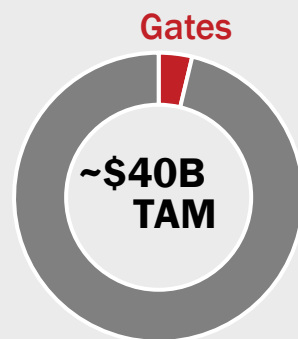


**WE ARE A HIGHLY PROFITABLE MARKET LEADER PROVIDING MISSION-CRITICAL, TAILORED INDUSTRIAL COMPONENTS WITH REGULAR REPLACEMENT CYCLES TO ATTRACTIVE AND GROWING END-MARKETS**



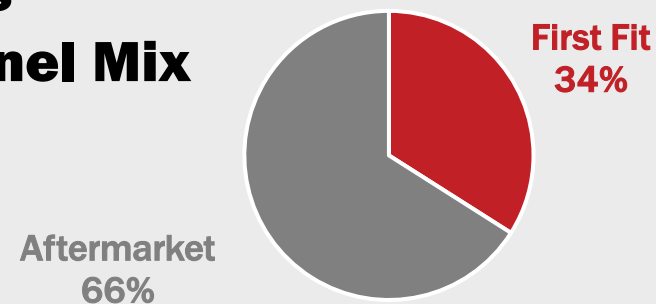
## POWER TRANSMISSION \$2.1B<sup>1</sup> (62% OF SALES)

### #1 Global Market Position<sup>2</sup>



Highly Fragmented Market with Room to Expand

### Gates Channel Mix



## PRODUCTS

- Synchronous Belts
- V-Belts, CVT & Micro-V<sup>®</sup> Belts
- TPU Positioning & Conveyance Belts
- Metal Drive Components

## BENEFITS

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

## GROWTH OPPORTUNITIES

- Machine OEM / Industrial Chain-to-Belt
- Personal Mobility
- Precision Motion Control & Conveyance

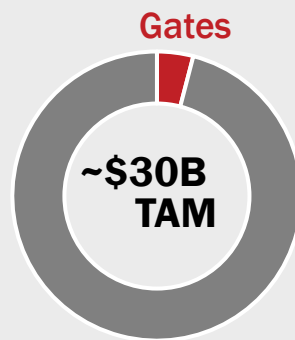


**GLOBAL LEADER WITH SIGNIFICANT GROWTH OPPORTUNITIES**



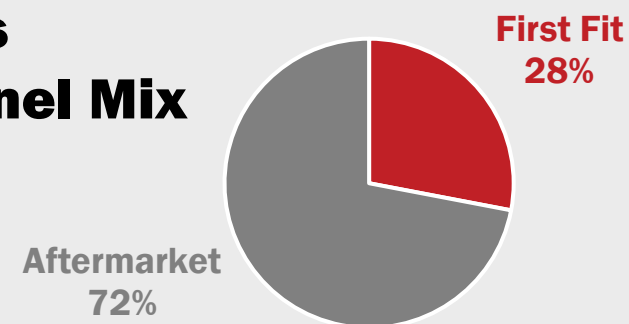
## FLUID POWER \$1.3B<sup>1</sup> (38% OF SALES)

### Top-3 Global Market Position<sup>2</sup>



Highly Fragmented Market with Room to Expand

### Gates Channel Mix



## PRODUCTS

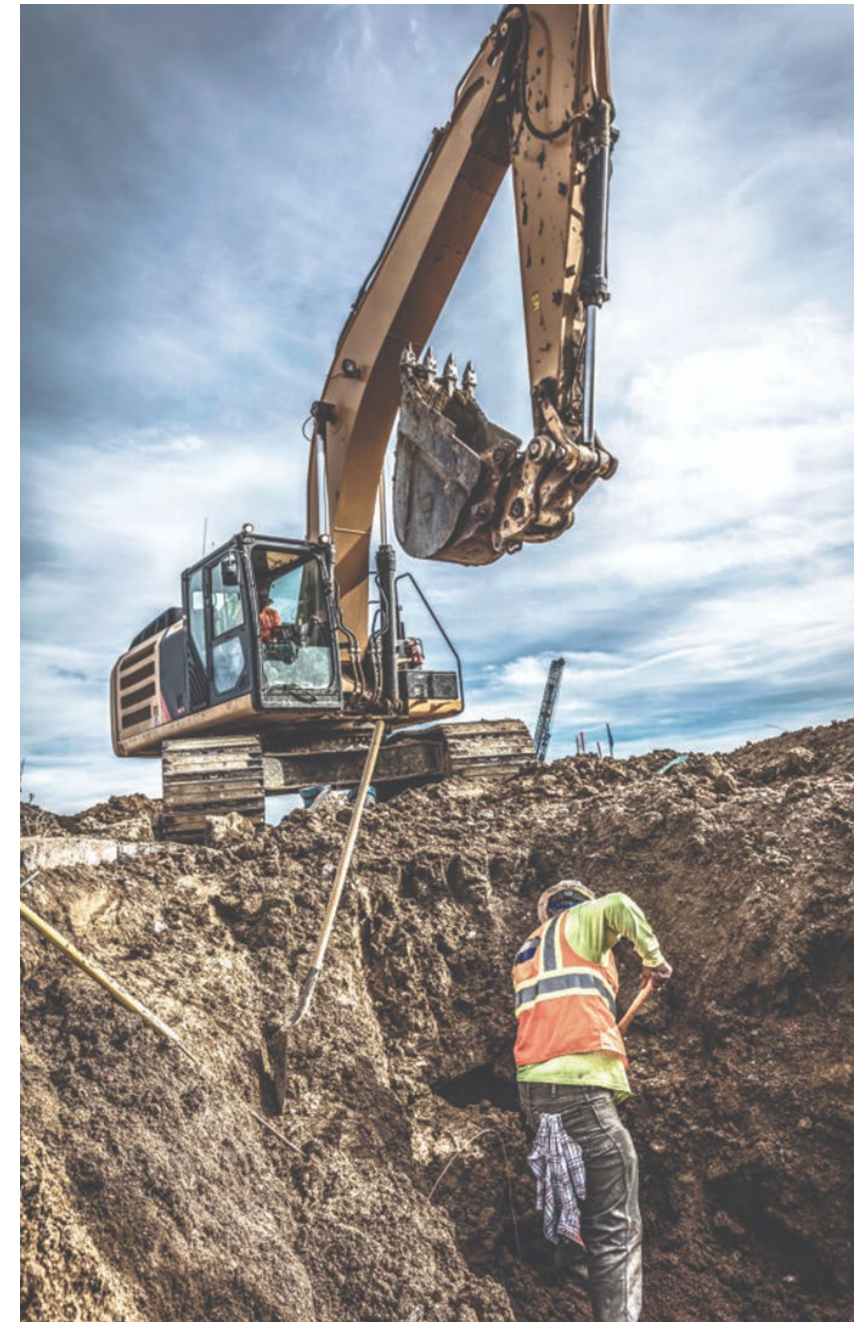
- Hydraulic Hose, Tubing and Related Components
- Thermal Management Hose
- Data Center Hose & Couplings

## BENEFITS

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

## GROWTH OPPORTUNITIES

- Stationary Industrial Applications
- Liquid Cooled Applications for Data Centers
- Geographic Expansion



TOP 3 PLAYER WITH OPPORTUNITIES TO EXPAND MARKETS AND GEOGRAPHIES



## ABOVE-MARKET GROWTH

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



## MARGIN EXPANSION

- Operational Excellence
- Eco-Innovation™
- 80/20 Complexity Reduction



## INVESTING & DEPLOYING CAPITAL

- Organic Growth Investments
- Share Repurchases
- Acquisitions

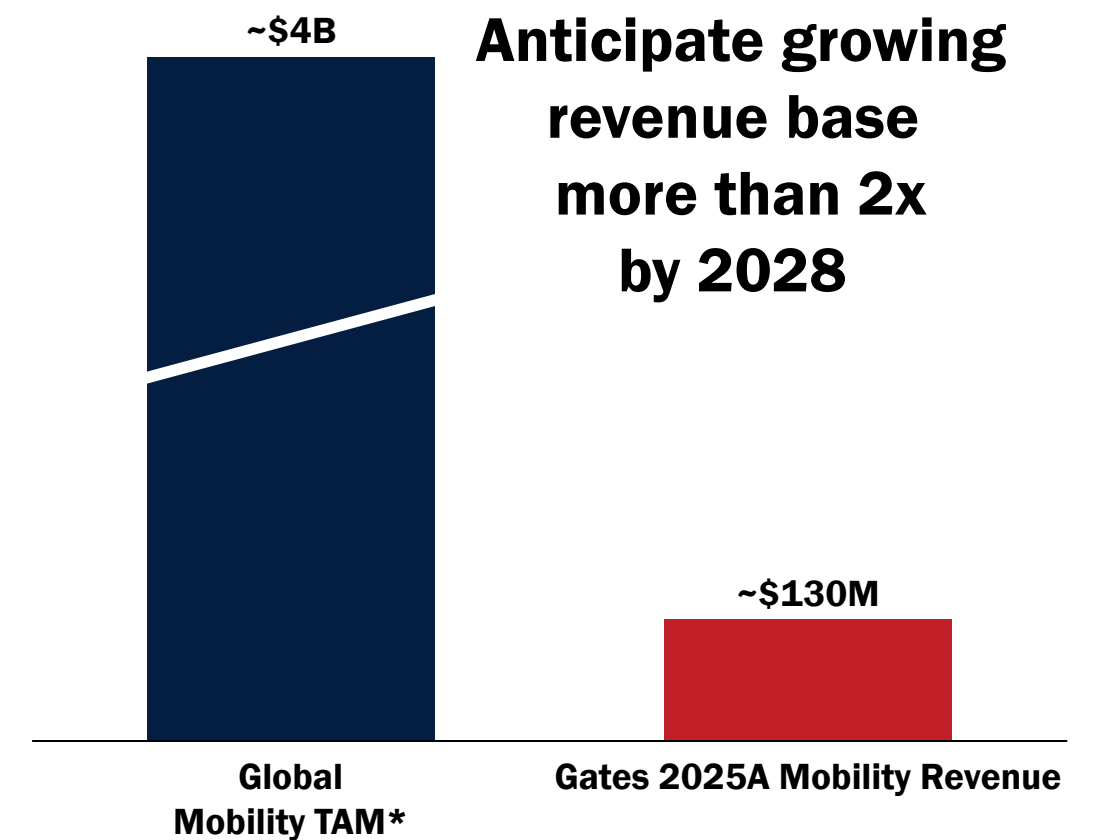


Full line of customizable sprocket systems



Belt technology approaching cost parity with chain

## INNOVATION INVESTMENTS DRIVING WINS IN STRATEGIC GROWTH SEGMENTS



**OPEN OPPORTUNITY PIPELINE CONTINUES TO SUPPORT EXPECTED ~30% CAGR THROUGH 2028**



# DATA CENTER LIQUID COOLING PRODUCT LINE



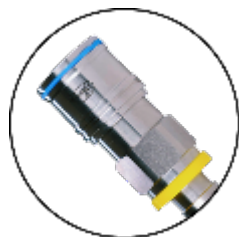
DATA MASTER™  
MEGAFLEX™  
HOSE



SUPPLY LINE  
COUPLINGS



DATA MASTER™  
HOSE



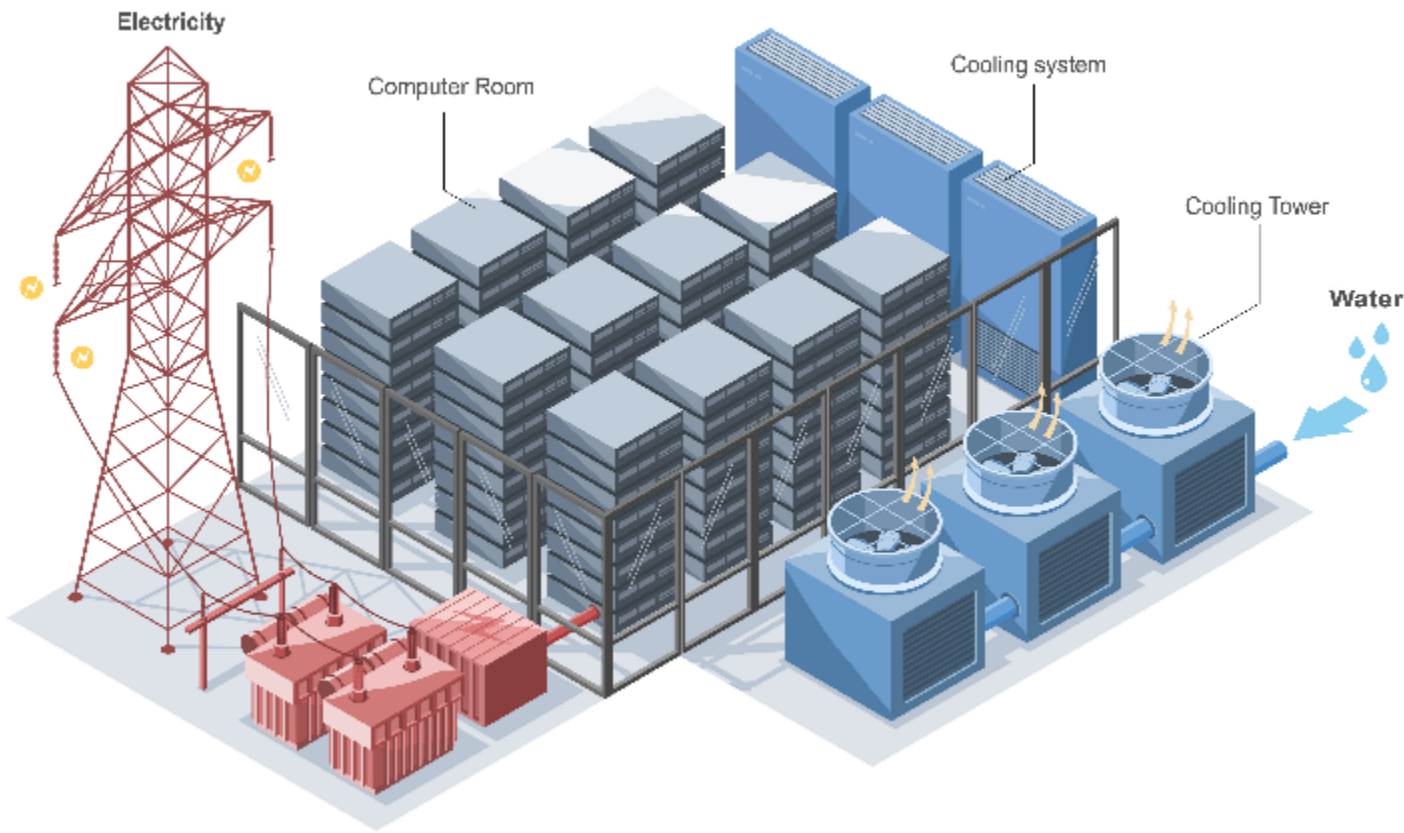
UNIVERSAL QUICK  
DISCONNECT (UQD)



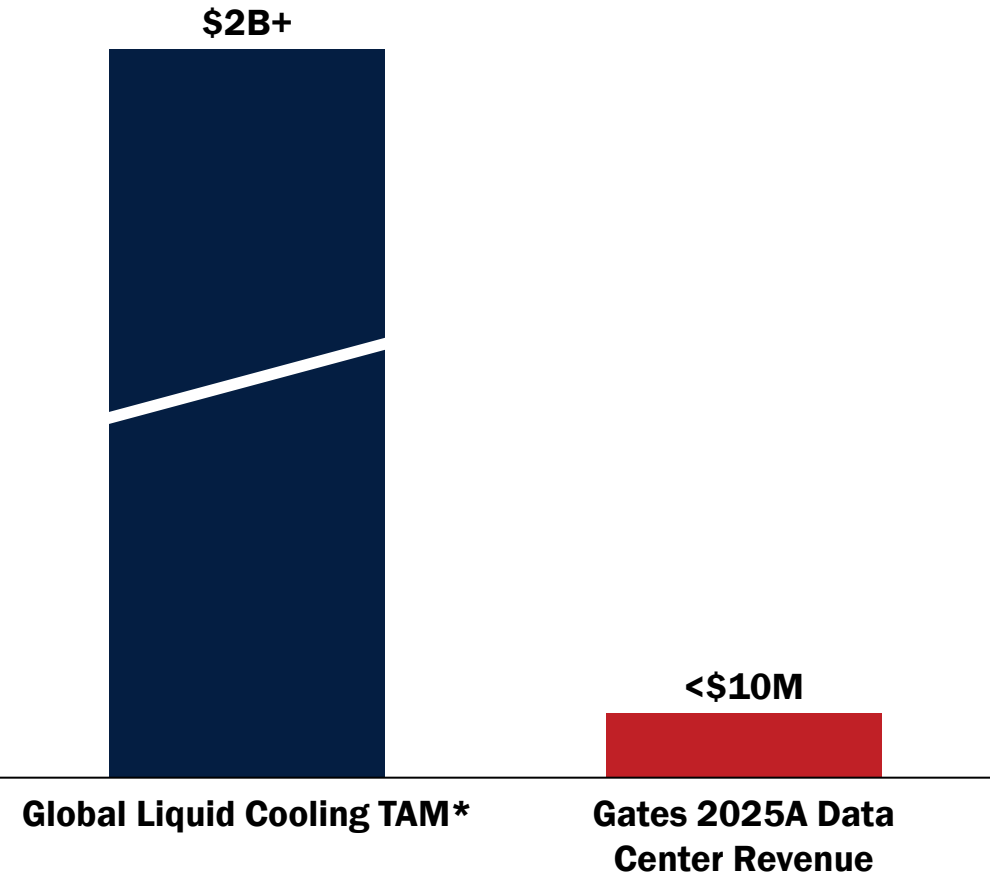
DATA MASTER™  
ECO HOSE



DATA CENTER  
PUMPS



**TOTAL AVAILABLE  
GATES CONTENT/MW:  
\$0.1M/MW<sup>1</sup>**



<sup>1</sup>Represents Gates product content required per 1 MW of AI data center power consumption. Based on management estimates.

\*TAM represents Total Addressable Market. Based on management estimates.



## MATERIALS SCIENCE

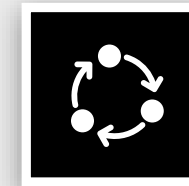
Driving enhanced product sustainability while ensuring continuity of supply



## ONGOING INNOVATION FOCUSED ON:



**Enabling Revenue Growth**



**Improving Operating Efficiency**



**Building Business Resiliency**

## PRODUCT ENGINEERING

Positioning for market trends while capitalizing on process and materials improvement

## PROCESS ENGINEERING

Increasing operational efficiency and controls while enhancing asset utilization

**DRIVING GROWTH, SUSTAINABILITY AND OPERATIONAL IMPROVEMENTS**



## GROWING AND INNOVATING

- Positioned for secular growth trends and macro themes
- Leverage digital tools
- Materials science investments drive new product development



## REDUCING COMPLEXITY THROUGH 80/20

- Product line simplification
- Service level improvements
- Reduced inventory levels
- Pricing for value
- Optimized capacity utilization



## EXPANDING MARGINS VIA SELF-HELP INITIATIVES

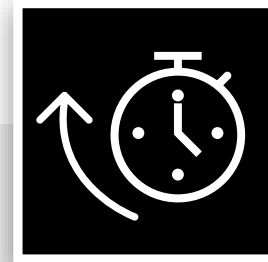
- Materials science investments drive cost reductions
- Operational excellence
- Footprint optimization

**80/20 PRINCIPLES PERMEATE ACROSS OUR ENTERPRISE INITIATIVES**



## MATERIAL COST REDUCTION

- Strategic Sourcing
- Value Add/Value Engineering (VAVE)
- Materials Science Innovation



## OPERATIONAL EXCELLENCE

- Production Efficiency
- Plant Productivity
- Supply Chain Optimization

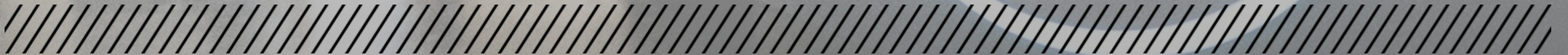


## FOOTPRINT OPTIMIZATION

- Increase Labor Flexibility
- Deploy New Manufacturing Technology to Drive Growth
- Reduce Fixed Costs



# **CASH FLOW & BALANCE SHEET**





# 3-YEAR AVERAGE FREE CASH FLOW CONVERSION

93.8%



Peer Average

92.5%



GTES

TARGETING 90%+ FCF CONVERSION FOR 2026

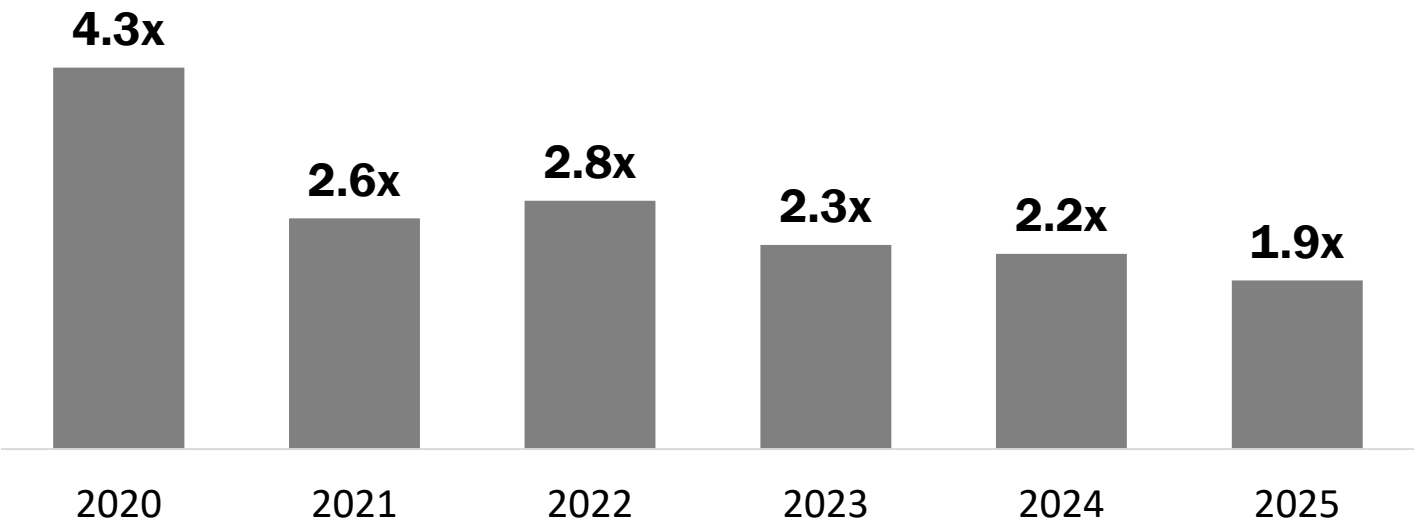
(1) Non-GAAP measures. See appendix for reconciliations.  
(2) Includes DOV, HLIO, IEX, IR, ITT, ITW, MMM, PH, ROK, RRX, TKR and VNT  
(3) 2023-2025 FCF Conversion average.



# BALANCE SHEET CONTINUES TO IMPROVE

16

## NET DEBT / ADJ. EBITDA



## CAPITAL STRUCTURE<sup>1</sup> (AS OF 12/31/2025)

| FACILITY        | RATE   | MATURITY | BALANCE    |
|-----------------|--------|----------|------------|
| USD Term Loan   | S+175  | Jun 2031 | \$1,283.8M |
| Bonds           | 6.875% | Jul 2029 | \$500.0M   |
| USD Term Loan   | S+175  | Nov 2029 | \$456.3M   |
| \$500M Revolver | S+175  | Jun 2029 | Undrawn    |

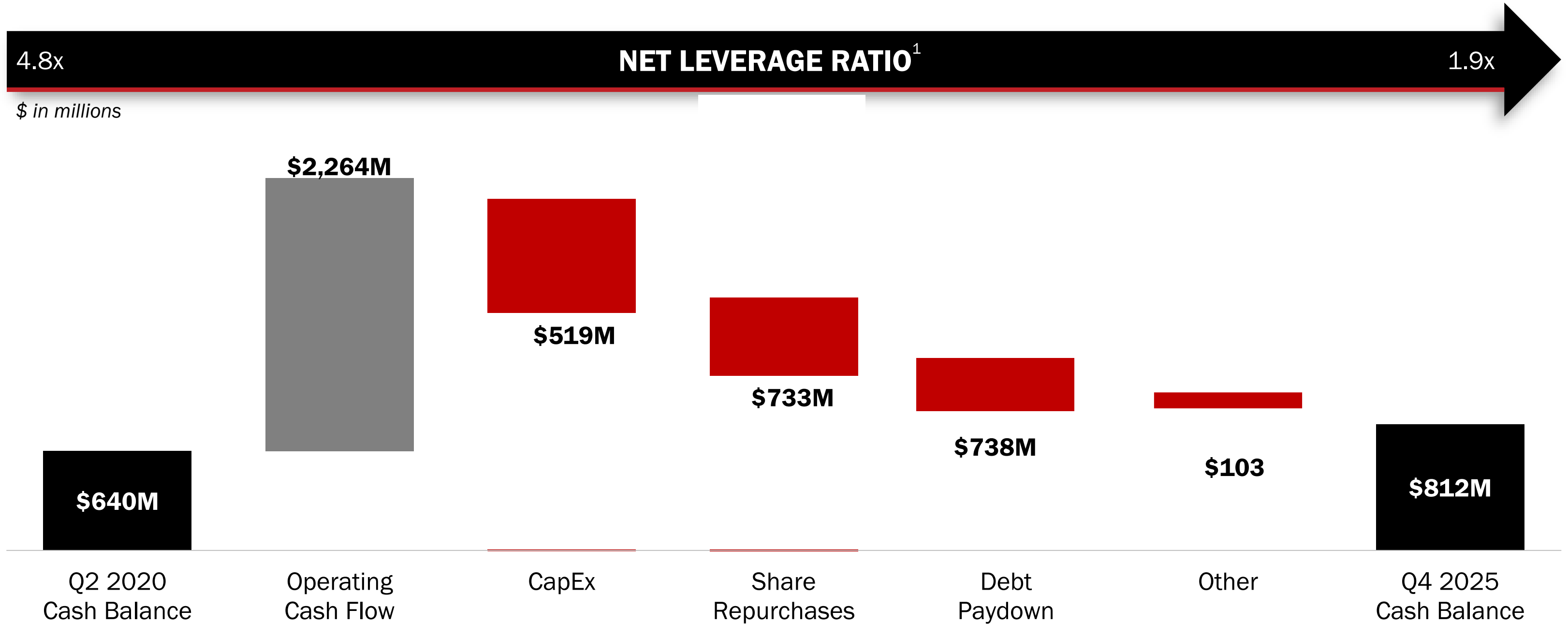
## CAPITAL POSITION (AS OF 12/31/2025)

| KEY METRICS                         |          |
|-------------------------------------|----------|
| Gross Debt                          | \$2,240M |
| Less: Cash                          | \$812M   |
| Net Debt                            | \$1,428M |
| Gross Debt/Adj. EBITDA <sup>2</sup> | 2.9x     |
| Net Debt/Adj. EBITDA                | 1.9x     |

## CREDIT RATINGS

| AGENCY  | RATING/OUTLOOK                                     |
|---------|----------------------------------------------------|
| Moody's | Ba2 (Stable)<br>▪ Ratings upgrade in February 2026 |
|         |                                                    |
| S&P     | BB (Stable)<br>▪ Ratings upgrade in December 2025  |
|         |                                                    |

ENTERPRISE NET LEVERAGE RATIO EXPECTED TO DECLINE BY ~0.4X PER ANNUM, ALL ELSE EQUAL



**~\$1.5B OF SHARE REPURCHASES AND DEBT PAYDOWN SINCE MID-2020**



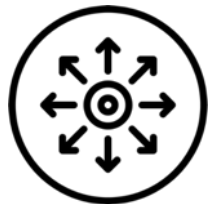
## OUR OPPORTUNITY

Seasoned public enterprise providing mission-critical solutions with multiple organic opportunities to create shareholder value



## GROWTH POTENTIAL

Resilient business anticipated to grow 2x Industrial Production in attractive and growing markets; while expanding markets we serve through the cycle



## MARGIN SELF-HELP

Enterprise initiatives expected to deliver meaningful margin expansion through the mid-term



## CREATING OPTIONALITY

Consistent balance sheet improvement to support balanced capital allocation





# APPENDIX





# RECONCILIATIONS – ADJUSTED EBITDA AND NET LEVERAGE

21

(USD in millions)

## Reconciliation to Adjusted EBITDA

### Net Income from Continuing Operations

Adjusted for:

Income tax expense (benefit)

Interest expense

Other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries <sup>(1)</sup>

Loss on deconsolidation of Russian subsidiary <sup>(2)</sup>

Depreciation and amortization

Transaction-related expenses (income) <sup>(3)</sup>

Asset impairments

Restructuring expenses

Share-based compensation expense

Inventory adjustments <sup>(4)</sup> (included in cost of sales)

Restructuring related expenses (included in cost of sales)

Restructuring related expenses (included in SG&A)

Credit (gain) loss related to customer bankruptcy (included in SG&A)

Cybersecurity incident insurance (recovery) expense <sup>(5)</sup>

Sponsor fees (included in other operating (income) expenses)

Other items not directly related to current operations

### Adjusted EBITDA

## Adjusted EBITDA margin

Net Sales

Adjusted EBITDA

### Adjusted EBITDA margin

## Reconciliation to Net Leverage

Total principal amount of debt

Less: Cash and cash equivalents

### Net Debt

### Net Leverage (Net Debt divided by LTM Adjusted EBITDA)



|                                                                                                                      | FY 2025    | FY 2024    | FY 2023    | FY 2022    | FY 2021    | FY 2020    | LTM Q3 2020 | LTM Q2 2020 | LTM Q1 2020 |
|----------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| Net Income from Continuing Operations                                                                                | \$ 277.1   | \$ 220.5   | \$ 257.0   | \$ 242.9   | \$ 331.3   | \$ 90.3    | \$ 83.2     | \$ 75.0     | \$ 129.5    |
| Adjusted for:                                                                                                        |            |            |            |            |            |            |             |             |             |
| Income tax expense (benefit)                                                                                         | 63.1       | 107.5      | 28.3       | 14.9       | 18.4       | (19.3)     | (29.6)      | (9.2)       | 27.7        |
| Interest expense                                                                                                     | 125.9      | 155.8      | 163.2      | 139.4      | 133.5      | 154.3      | 152.6       | 151.5       | 156.4       |
| Other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries <sup>(1)</sup> | 4.0        | (17.8)     | 14.1       | (13.2)     | 0.9        | (14.2)     | (12.5)      | (10.8)      | (8.6)       |
| Loss on deconsolidation of Russian subsidiary <sup>(2)</sup>                                                         | -          | 12.7       | -          | -          | -          | -          | -           | -           | -           |
| Depreciation and amortization                                                                                        | 213.8      | 216.9      | 217.5      | 217.2      | 222.6      | 218.6      | 218.0       | 219.5       | 221.0       |
| Transaction-related expenses (income) <sup>(3)</sup>                                                                 | 0.5        | 3.3        | 2.2        | 2.1        | 3.7        | 5.2        | 7.1         | 2.7         | 2.0         |
| Asset impairments                                                                                                    | 3.5        | -          | 0.1        | 1.1        | 0.6        | 5.2        | 5.1         | 4.4         | 0.7         |
| Restructuring expenses                                                                                               | 26.3       | 6.5        | 11.6       | 9.5        | 7.4        | 37.3       | 28.5        | 21.5        | 4.6         |
| Share-based compensation expense                                                                                     | 27.2       | 28.8       | 27.4       | 44.3       | 24.6       | 19.8       | 18.0        | 17.2        | 15.3        |
| Inventory adjustments <sup>(4)</sup> (included in cost of sales)                                                     | 15.6       | 22.3       | 7.4        | 20.9       | 1.4        | 1.4        | 1.3         | 2.3         | 1.2         |
| Restructuring related expenses (included in cost of sales)                                                           | 6.9        | 1.8        | 0.4        | 0.8        | -          | 1.0        | 1.9         | 4.1         | 4.1         |
| Restructuring related expenses (included in SG&A)                                                                    | 11.4       | 2.9        | 1.0        | 0.5        | 0.7        | 8.0        | 4.2         | 3.0         | 4.1         |
| Credit (gain) loss related to customer bankruptcy (included in SG&A)                                                 | -          | (0.1)      | 11.4       | -          | -          | -          | -           | -           | -           |
| Cybersecurity incident insurance (recovery) expense <sup>(5)</sup>                                                   | (5.2)      | -          | 5.2        | -          | -          | -          | -           | -           | -           |
| Sponsor fees (included in other operating (income) expenses)                                                         | -          | -          | -          | -          | -          | 1.9        | 3.5         | 4.4         | 6.4         |
| Other items not directly related to current operations                                                               | -          | -          | 0.2        | 0.2        | (9.3)      | (2.9)      | (2.2)       | (1.5)       | 1.9         |
| Adjusted EBITDA                                                                                                      | \$ 770.1   | \$ 761.1   | \$ 747.0   | \$ 680.6   | \$ 735.8   | \$ 506.6   | \$ 479.1    | \$ 484.1    | \$ 566.3    |
| Adjusted EBITDA margin                                                                                               |            |            |            |            |            |            |             |             |             |
| Net Sales                                                                                                            | \$ 3,443.2 | \$ 3,408.2 | \$ 3,570.2 | \$ 3,554.2 | \$ 3,474.4 | \$ 2,793.0 | \$ 2,724.5  | \$ 2,758.9  | \$ 2,992.3  |
| Adjusted EBITDA                                                                                                      | \$ 770.1   | \$ 761.1   | \$ 747.0   | \$ 680.6   | \$ 735.8   | \$ 506.6   | \$ 479.1    | \$ 484.1    | \$ 566.3    |
| Adjusted EBITDA margin                                                                                               | 22.4%      | 22.3%      | 20.9%      | 19.1%      | 21.2%      | 18.1%      | 17.6%       | 17.5%       | 18.9%       |
| Reconciliation to Net Leverage                                                                                       |            |            |            |            |            |            |             |             |             |
| Total principal amount of debt                                                                                       | \$ 2,240.1 | \$ 2,363.5 | \$ 2,491.4 | \$ 2,491.4 | \$ 2,579.2 | \$ 2,720.8 | \$ 2,994.6  | \$ 2,975.3  | \$ 2,972.4  |
| Less: Cash and cash equivalents                                                                                      | (812.1)    | (682.0)    | (720.6)    | (578.4)    | (658.2)    | (521.4)    | (672.3)     | (639.7)     | (626.3)     |
| Net Debt                                                                                                             | \$ 1,428.0 | \$ 1,681.5 | \$ 1,770.8 | \$ 1,913.0 | \$ 1,921.0 | \$ 2,199.4 | \$ 2,322.3  | \$ 2,335.6  | \$ 2,346.1  |
| Net Leverage (Net Debt divided by LTM Adjusted EBITDA)                                                               | 1.9 x      | 2.2 x      | 2.3 x      | 2.8 x      | 2.6 x      | 4.3 x      | 4.8 x       | 4.8 x       | 4.1 x       |



# RECONCILIATIONS – ADJUSTED EBITDA (CONT.)

| (USD in millions)                                                                                                    | Q4 2020  | Q3 2020  | Q2 2020   | Q1 2020  | Q4 2019  | Q3 2019  | Q2 2019  | Q1 2019  |
|----------------------------------------------------------------------------------------------------------------------|----------|----------|-----------|----------|----------|----------|----------|----------|
| Reconciliation to Adjusted EBITDA                                                                                    |          |          |           |          |          |          |          |          |
| Net Income from Continuing Operations                                                                                | \$ 32.5  | \$ 45.7  | \$ (27.8) | \$ 39.9  | \$ 25.4  | \$ 37.5  | \$ 26.7  | \$ 605.1 |
| Adjusted for:                                                                                                        |          |          |           |          |          |          |          |          |
| Income tax expense (benefit)                                                                                         | 12.2     | (16.0)   | 0.6       | (16.1)   | 1.9      | 4.4      | 37.5     | (539.7)  |
| Interest expense                                                                                                     | 45.0     | 38.3     | 34.3      | 36.7     | 43.3     | 37.2     | 39.2     | 38.1     |
| Other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries <sup>(1)</sup> | (4.3)    | (4.1)    | (3.7)     | (2.1)    | (2.6)    | (2.4)    | (1.5)    | (3.3)    |
| Loss on deconsolidation of Russian subsidiary <sup>(2)</sup>                                                         | -        | -        | -         | -        | -        | -        | -        | -        |
| Depreciation and amortization                                                                                        | 55.4     | 53.6     | 54.7      | 54.9     | 54.8     | 55.1     | 56.2     | 56.1     |
| Transaction-related expenses (income) <sup>(3)</sup>                                                                 | -        | 5.4      | -         | (0.2)    | 1.9      | 1.0      | (0.7)    | 0.4      |
| Asset impairments                                                                                                    | 0.1      | 1.4      | 3.7       | -        | -        | 0.7      | -        | -        |
| Restructuring expenses                                                                                               | 10.9     | 7.3      | 17.2      | 1.9      | 2.1      | 0.3      | 0.3      | 3.3      |
| Share-based compensation expense                                                                                     | 6.3      | 4.9      | 5.7       | 2.9      | 4.5      | 4.1      | 3.8      | 2.6      |
| Inventory adjustments <sup>(4)</sup> (included in cost of sales)                                                     | -        | -        | 1.4       | -        | (0.1)    | 1.0      | 0.3      | -        |
| Restructuring related expenses (included in cost of sales)                                                           | 0.1      | 0.3      | 0.5       | 0.1      | 1.0      | 2.5      | 0.5      | -        |
| Restructuring related expenses (included in SG&A)                                                                    | 4.2      | 3.0      | 0.3       | 0.5      | 0.4      | 1.8      | 1.4      | (0.2)    |
| Credit (gain) loss related to customer bankruptcy (included in SG&A)                                                 | -        | -        | -         | -        | -        | -        | -        | -        |
| Cybersecurity incident insurance (recovery) expense <sup>(5)</sup>                                                   | -        | -        | -         | -        | -        | -        | -        | -        |
| Sponsor fees (included in other operating (income) expenses)                                                         | -        | 0.2      | -         | 1.7      | 1.6      | 1.1      | 2.0      | 1.8      |
| Other items not directly related to current operations                                                               | 0.2      | -        | (3.7)     | 0.6      | 0.9      | 0.7      | (0.3)    | 1.3      |
| Adjusted EBITDA                                                                                                      | \$ 162.6 | \$ 140.0 | \$ 83.2   | \$ 120.8 | \$ 135.1 | \$ 145.0 | \$ 165.4 | \$ 165.5 |
| Adjusted EBITDA margin                                                                                               |          |          |           |          |          |          |          |          |
| Net Sales                                                                                                            | \$ 794.2 | \$ 712.2 | \$ 576.5  | \$ 710.1 | \$ 725.7 | \$ 746.6 | \$ 809.9 | \$ 804.9 |
| Adjusted EBITDA                                                                                                      | \$ 162.6 | \$ 140.0 | \$ 83.2   | \$ 120.8 | \$ 135.1 | \$ 145.0 | \$ 165.4 | \$ 165.5 |
| Adjusted EBITDA margin                                                                                               | 20.5%    | 19.7%    | 14.4%     | 17.0%    | 18.6%    | 19.4%    | 20.4%    | 20.6%    |



# RECONCILIATIONS –ADJUSTED EBITDA(CONT.)



- (1) Other expenses (income) excludes foreign currency transaction losses and insurance recoveries
- (2) In July 2022, Gates suspended our operations in Russia. In September 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.
- (3) Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transaction.
- (4) Inventory adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis.
- (5) In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded \$5.2 million of expenses from Adjusted EBITDA.



# RECONCILIATIONS – ADJUSTED NET INCOME

24

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

## Reconciliation to Adjusted Net Income

### Net Income Attributable to Shareholders

Adjusted for:

|                                                                              | FY 2025         | FY 2024         |
|------------------------------------------------------------------------------|-----------------|-----------------|
| Net Income Attributable to Shareholders                                      | \$ 251.4        | \$ 194.9        |
| Loss on the disposal of discontinued operations                              | 0.8             | 0.6             |
| Loss on deconsolidation of Russian subsidiary <sup>(1)</sup>                 | -               | 12.7            |
| Amortization of intangible assets arising from the 2014 acquisition of Gates | 115.8           | 115.5           |
| Transaction-related expenses <sup>(2)</sup>                                  | 0.5             | 3.3             |
| Asset impairments                                                            | 3.5             | -               |
| Restructuring expenses                                                       | 26.3            | 6.5             |
| Restructuring related expenses (included in cost of sales)                   | 6.9             | 1.8             |
| Restructuring related expenses (included in SG&A)                            | 11.4            | 2.8             |
| Share-based compensation expense                                             | 27.2            | 28.8            |
| Inventory adjustments <sup>(3)</sup> (included in cost of sales)             | 15.6            | 22.3            |
| Adjustments relating to post-retirement benefits                             | 1.3             | (2.6)           |
| Financing and other FX related (gains) losses                                | 12.4            | (7.0)           |
| Cybersecurity incident insurance recovery <sup>(4)</sup>                     | (5.2)           | -               |
| Loss on extinguishment of debt <sup>(5)</sup>                                | -               | 14.8            |
| Discrete tax items <sup>(6)</sup>                                            | (18.9)          | 23.4            |
| Other adjustments                                                            | (5.2)           | (7.0)           |
| Estimated tax effect of the above adjustments                                | (48.9)          | (43.1)          |
| <b>Adjusted Net Income</b>                                                   | <b>\$ 394.9</b> | <b>\$ 367.7</b> |

|                                                       |             |             |
|-------------------------------------------------------|-------------|-------------|
| Diluted weighted average number of shares outstanding | 260,534,865 | 264,675,566 |
|-------------------------------------------------------|-------------|-------------|

|                                          |                |                |
|------------------------------------------|----------------|----------------|
| <b>GAAP Net Income per diluted share</b> | <b>\$ 0.96</b> | <b>\$ 0.74</b> |
|------------------------------------------|----------------|----------------|

|                                              |                |                |
|----------------------------------------------|----------------|----------------|
| <b>Adjusted Net Income per diluted share</b> | <b>\$ 1.52</b> | <b>\$ 1.39</b> |
|----------------------------------------------|----------------|----------------|

|                                                  |             |  |
|--------------------------------------------------|-------------|--|
| <b>YoY Adjusted Net Income per diluted share</b> | <b>9.4%</b> |  |
|--------------------------------------------------|-------------|--|

Note: Referenced footnotes continue on the following page



# RECONCILIATIONS – ADJUSTED NET INCOME



- (1) In July 2022, Gates suspended our operations in Russia. In September 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.
- (2) Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.
- (3) Inventory adjustments include the reversal of the adjustment to remeasure certain inventories on a Last-in-First-out ("LIFO") basis.
- (4) In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded \$5.2 million of expenses from Adjusted Net Income.
- (5) On June 4, 2024, Gates extinguished the 2021 Dollar Term Loans and the asset-backed credit facility in connection with our debt refinancing. As a result, we accelerated \$14.8 million in deferred issuance costs during the year ended December 28, 2024.
- (6) Discrete tax items include changes in uncertain tax positions relating to prior years, changes in tax laws or rates, changes in valuation allowances, excess tax benefits on stock option exercises, and prior year adjustments in various foreign jurisdictions in which returns were filed.



# RECONCILIATIONS – FREE CASH FLOW & FREE CASH FLOW CONVERSION

(USD In millions)

Reconciliation of Free Cash Flow

|                                           |
|-------------------------------------------|
| Net Cash Provided By Operating Activities |
| Capital Expenditures <sup>(1)</sup>       |
| <b>Free Cash Flow</b>                     |

| FY 2025         | FY 2024         | FY 2023         |
|-----------------|-----------------|-----------------|
| \$ 478.1        | \$ 379.6        | \$ 379.6        |
| (113.9)         | (106.7)         | (106.7)         |
| <b>\$ 364.2</b> | <b>\$ 272.9</b> | <b>\$ 272.9</b> |

(USD In millions)

Reconciliation of Free Cash Flow Conversion

|                                  |
|----------------------------------|
| Free Cash Flow                   |
| Adjusted Net Income              |
| <b>Free Cash Flow Conversion</b> |

| FY 2025      | FY 2024      | FY 2023       |
|--------------|--------------|---------------|
| \$ 364.2     | \$ 272.9     | \$ 409.6      |
| \$ 394.9     | \$ 367.7     | \$ 368.9      |
| <b>92.2%</b> | <b>74.2%</b> | <b>111.0%</b> |

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



# RECONCILIATIONS – SEGMENT ADJUSTED EBITDA MARGIN

27

(USD in millions)

## Reconciliation to Segment Adjusted EBITDA Margin

|                                       | FY 2025    | FY 2024    | Change   |
|---------------------------------------|------------|------------|----------|
| Power Transmission Net Sales          | \$ 2,147.1 | \$ 2,108.1 | \$ 39.0  |
| Power Transmission Adjusted EBITDA    | \$ 479.6   | \$ 468.7   | \$ 10.9  |
| Adjusted EBITDA Margin                | 22.3%      | 22.2%      | 10 bps   |
| Fluid Power Net Sales                 | \$ 1,296.1 | \$ 1,300.1 | \$ (4.0) |
| Fluid Power Adjusted EBITDA           | \$ 290.5   | \$ 292.4   | \$ (1.9) |
| Adjusted EBITDA Margin                | 22.4%      | 22.5%      | -10 bps  |
| Total Net Sales                       | \$ 3,443.2 | \$ 3,408.2 | \$ 35.0  |
| Total Adjusted EBITDA                 | \$ 770.1   | \$ 761.1   | \$ 9.0   |
| Adjusted EBITDA Margin                | 22.4%      | 22.3%      | 10 bps   |
| Net Income From Continuing Operations | \$ 277.1   | \$ 220.5   | \$ 56.6  |



# RECONCILIATIONS – RETURN ON INVESTED CAPITAL (ROIC)

28

(USD in millions)

## Return On Invested Capital (ROIC)

### LTM Adjusted EBITDA

LTM Total depreciation and amortization

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

### LTM Adjusted EBIT

Notional tax at 25%

### LTM Tax-effected Adjusted EBIT

Total Assets

*Adjusted for:*

Cash

Taxes receivable

Deferred tax assets

Prepaid taxes

Accounts payable

Intangibles arising from the acquisition of Gates

### Invested Capital

### Return On Invested Capital

Change YoY

FY 2025

FY 2024

|    |         |    |         |
|----|---------|----|---------|
| \$ | 770.1   | \$ | 761.1   |
|    | (213.8) |    | (216.9) |
|    | 115.8   |    | 115.5   |
|    | 672.1   |    | 659.7   |
|    | (168.0) |    | (164.9) |
| \$ | 504.1   | \$ | 494.8   |

|    |         |    |         |
|----|---------|----|---------|
| \$ | 7,151.4 | \$ | 6,786.3 |
|----|---------|----|---------|

|    |           |    |           |
|----|-----------|----|-----------|
|    | (812.1)   |    | (682.0)   |
|    | (48.8)    |    | (49.3)    |
|    | (640.0)   |    | (553.5)   |
|    | (20.7)    |    | (15.5)    |
|    | (433.7)   |    | (408.2)   |
|    | (3,046.4) |    | (3,014.2) |
| \$ | 2,149.7   | \$ | 2,063.6   |

|  |          |  |       |
|--|----------|--|-------|
|  | 23.4%    |  | 24.0% |
|  | - 60 bps |  |       |