# Gates Capital Markets Day 2026

**November 19, 2026**

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Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures, including expected Core Sales Growth, Adjusted EBITDA Margin, Incremental Margin, Adjusted Earnings per Share, Net Leverage, Free Cash Flow conversion, and Return on Invested Capital for 2026 and/or 2029. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

In addition, this presentation includes certain estimated unaudited information with respect to the fourth quarter and full year ending December 31, 2026 based on information available to management available to us as of the date of this presentation. This data is not a comprehensive statement of our financial results for such periods, and our actual results may differ materially from this estimated unaudited information.

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# AGENDA

| | | |
|---|---|---|
| 9:00 AM | Welcome | Rich Kwas – SVP, Investor Relations & Strategy |
| | Strategic Overview | Ivo Jurek – Chief Executive Officer |
| | Power Transmission Growth Drivers | Tom Pitstick – President, Americas |
| | Fluid Power Growth Drivers | Cindy Cookson – VP & GM, Fluid Power Americas |
| | Strategic Growth Initiatives | |
| | Data Center | Rebekah Headley – GM, Data Centers |
| | Mobility | Chris Sugai – GM, Mobility |
| | Priority Bicycles | David Weiner and Connor Swegle |
| | Industrial Chain to Belt | Mike Haen – VP, GPLM & Marketing |
| | Rapid Industries | John Thornton |
| | Corporate Initiatives | Brooks Mallard – Chief Financial Officer |
| | 80/20 | Glen Parkes – Senior Director, 80/20 & Business Transformation |
| | Financial Outlook | Brooks Mallard – Chief Financial Officer |
| | Closing Remarks | Ivo Jurek – Chief Executive Officer |
| 12:30 PM | Q&A | |




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# LEADERSHIP TEAM



**IVO JUREK**
Chief Executive Officer



**BROOKS MALLARD**
Chief Financial Officer, EVP



**MATTHEW R. A. HEIMAN**
Chief Legal Officer, EVP



**HOLLY PERKINS**
SVP, Human Resources



**TOM PITSTICK**
President, Americas



**ANDY LOW**
President, APAC



**KRISTIAN BROK**
President, EMEA



**DIEGO SILVA**
Chief Information Officer



**TOM MOSS, Ph.D.**
SVP, Innovation

## 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**

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# STRATEGIC OVERVIEW

**IVO JUREK**
**Chief Executive Officer**

# KEY MESSAGES



1. We can consistently deliver growth above market driven by key strategic initiatives

2. Through the cycle, we expect to deliver mid-single digit core sales growth

3. We have multiple tools to drive structural margin improvement

4. There is significant flexibility to deploy capital; we intend to use M&A to scale the company over time

**HIGHLY FOCUSED ON DRIVING CONSISTENT REVENUE GROWTH, EXPANDING MARGINS AND DEPLOYING CAPITAL RESPONSIBLY**

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# 2026E KEY FINANCIAL METRICS



## KEY METRICS

| $3.6B | 22.6% | 11% | 90%+ | ~24% |
|---|---|---|---|---|
| Revenues | Adj. EBITDA Margin | Adj. EPS Growth | FCF Conversion | ROIC |

- **On track to exceed initial core sales growth guidance for the year**
- **Forecasted to exit year at ~23.5% adjusted EBITDA margin rate**
- **Net leverage ratio anticipated to decline 0.4x YoY to ~1.5x**




**IN STRONG FINANCIAL POSITION TO CAPITALIZE ON THE INDUSTRIAL UPCYCLE**

Notes: Adjusted Earnings Per Share: Adjusted Net Income per diluted share; Adjusted EBITDA Margin: Adjusted EBITDA expressed as a percentage of sales; Free Cash Flow Conversion: LTM Free Cash Flow (Net Cash Provided by Operations minus capital expenditures) expressed as a percentage of LTM Adjusted Net Income; ROIC: Tax-effected LTM Adjusted EBIT divided by total assets minus cash, accounts payable, income tax-related assets and intangibles related to 2014 acquisition of Gates

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# WHAT WE HAVE ACCOMPLISHED SINCE 2023





## BROADENED STAKEHOLDER BASE

TRANSITIONED TO A FULLY PUBLICLY-HELD COMPANY



## BALANCE SHEET IMPROVEMENT

STRENGTHENED OUR BALANCE SHEET AND REDUCED LEVERAGE, IMPROVING FLEXIBILITY



## IMPROVED BUSINESS QUALITY

MOBILITY END MARKETS RECOVERED, DRIVING STRONGER SALES AND IMPROVED PROFITABILITY



## ENTERED NEW MARKETS

EXPANDED INTO DATA CENTER MARKETS WITH THE LAUNCH OF LIQUID COOLING SOLUTIONS



## INCREASED MARGINS

DELIVERED CONSISTENT MARGIN IMPROVEMENT — ON PACE FOR NEW FINANCIAL RECORDS IN 2026



## REDOMICILED FROM THE UK

SUCCESSFULLY COMPLETED OUR REDOMICILIATION  SIMPLIFYING OUR CORPORATE STRUCTURE AND ENHANCING FLEXIBILITY

**CREATED A STRONGER BUSINESS WITH GREATER OPTIONALITY BY EXECUTING OUR INTERNAL INITIATIVES**

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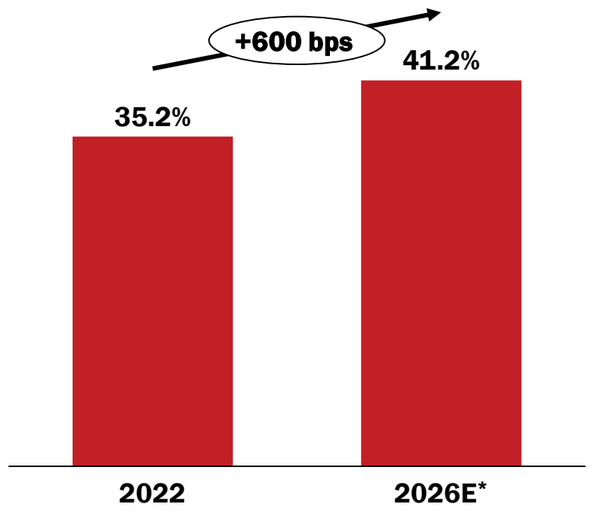
# DEMONSTRATED ABILITY TO EXPAND MARGINS AND PROFITABILITY



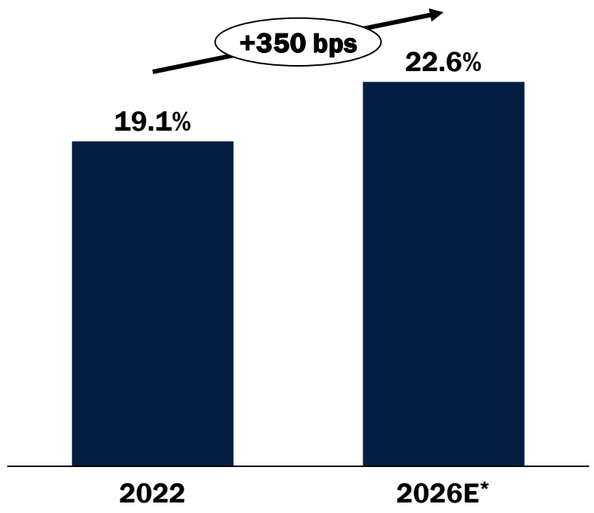
## Expanded Gross Margins




**Focused execution has structurally improved profitability**

- Pricing and mix discipline
- Material-cost reduction
- Operational productivity
- Footprint optimization

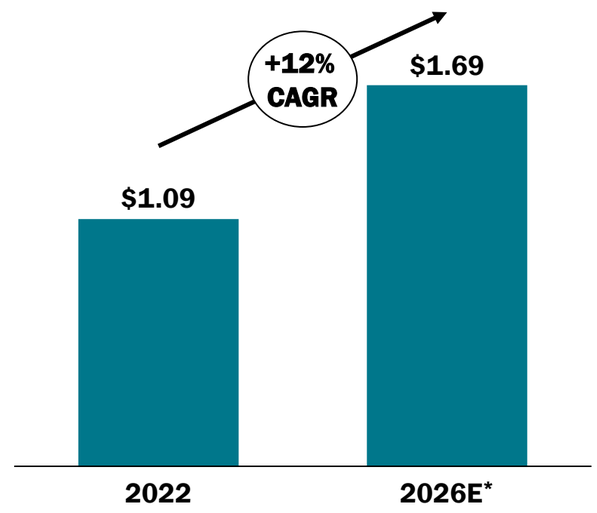
## Adjusted EBITDA Margins




**Margins continue to improve**

- Investment into the business
- R&D innovation
- Portfolio and product evolution

## Adjusted EPS




**Double digit Adjusted EPS Growth**

- Improvement in structural profitability
- Efficient capital deployment
- On pace for record adjusted EPS in 2026

* Guidance Midpoint

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# TRACK RECORD FOR CAPITAL DEPLOYMENT AND RETURNS



## 2022-2026E




**Share Repurchases**
~54M Shares
~$820M (~$15/share)

**CAPEX**
~$500M Invested

**Net Leverage Ratio**
2.8x to ~1.5x
(~$260M Debt Reduction)

**ROIC**
20.0 % to ~24.0%

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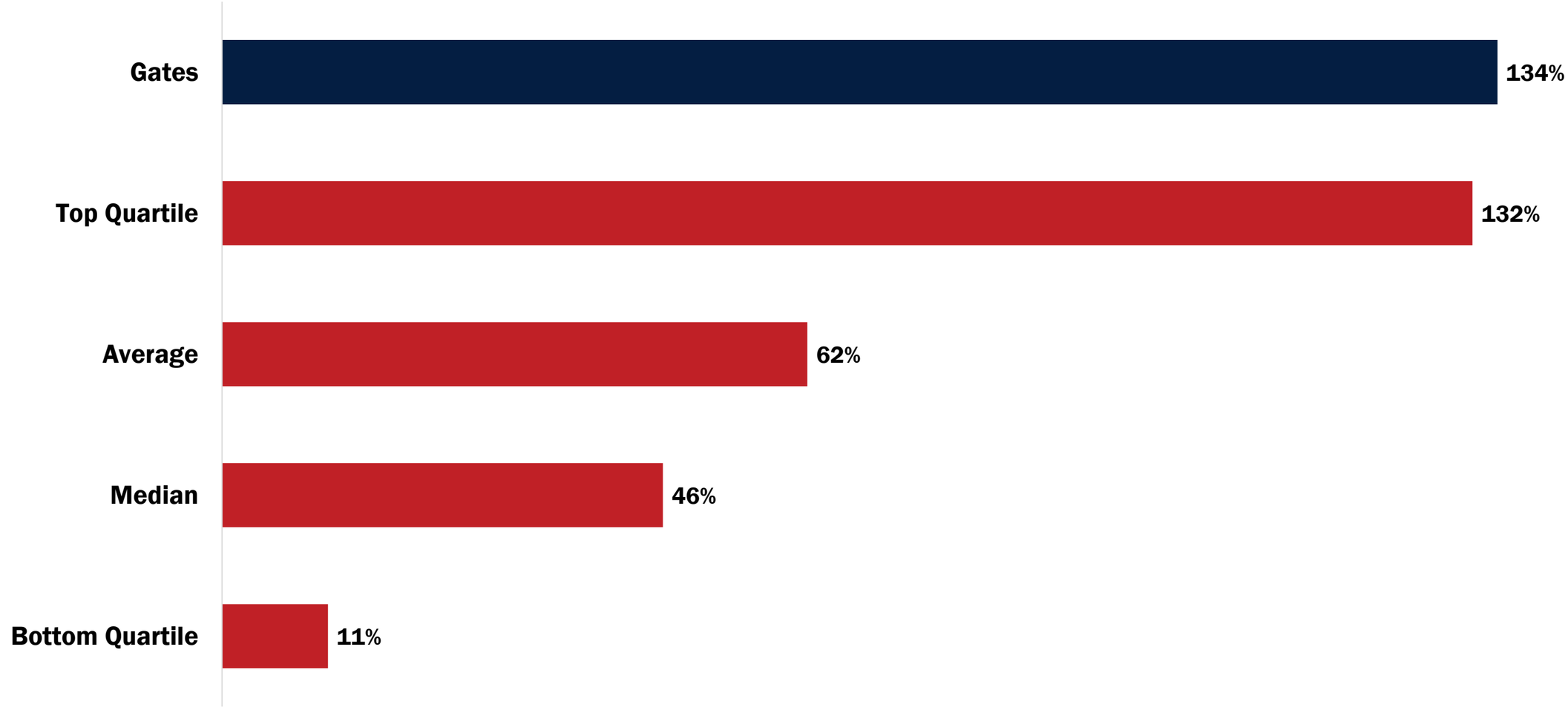
# 3-YEAR SHAREHOLDER RETURN






Notes: Measured October 1, 2023, through September 30, 2026. Peer group includes PH, MMM, ITT, ETN, TKR, ROK, DCI, DOV, HLIO, IR, ITW, IEX, RRX and VNT, excludes reinvestment of dividends, if any.

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# FOUNDATION SET TO DRIVE THE NEXT PHASE OF VALUE CREATION



## PROGRESS SINCE OUR LAST CMD

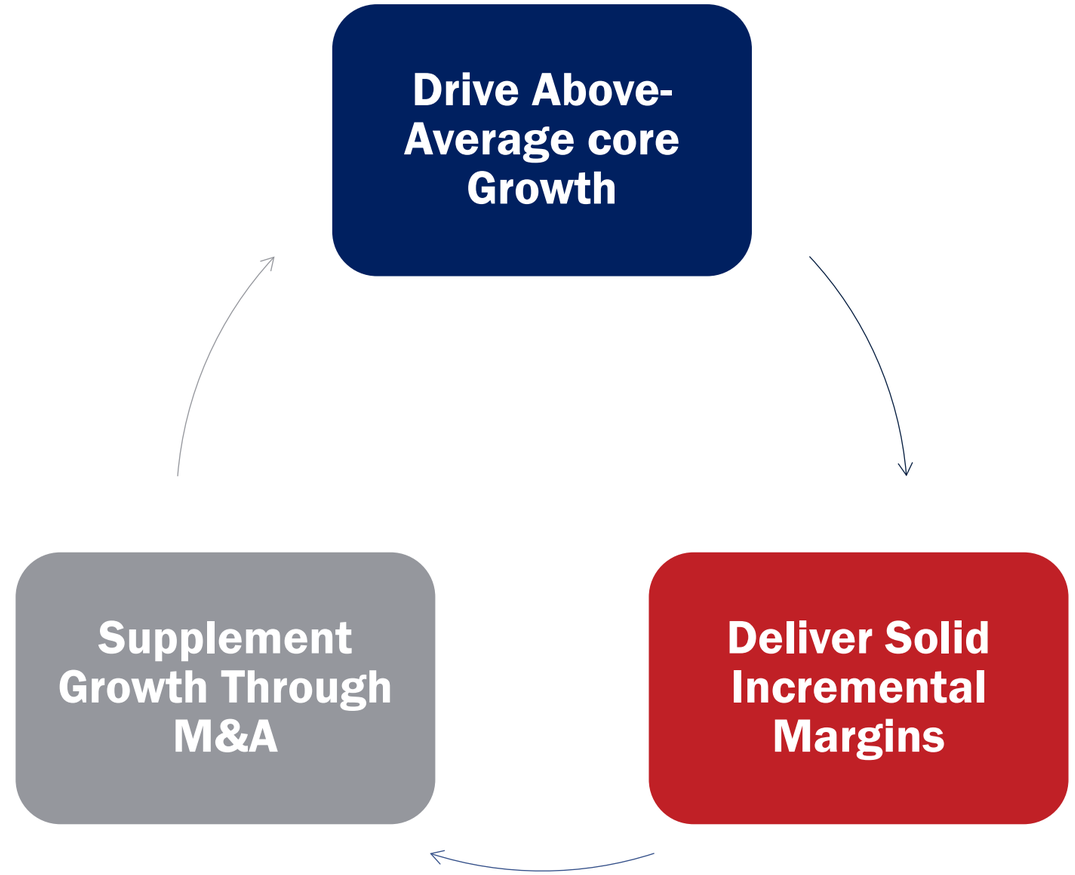
### Improved Business Quality

- Expanded margins
- Strengthened balance sheet
- Enhanced strategic flexibility

### Expanded Growth Opportunities

- Mobility recovery & outgrowth
- Emerging data center opportunity
- Expanding industrial exposure

## GO-FORWARD STRATEGY




Note: Incremental/Decremental Margin: The year-over-year change in the Adjusted EBITDA divided by the year-over-year change in net sales

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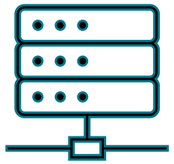
# GROWTH OPPORTUNITIES EXPANDING AND ACCELERATING





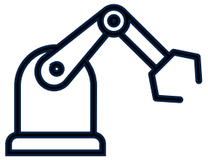
## Mobility Market Growth Acceleration

- Outgrowing market significantly
- Developing new technologies to reduce cost and increase capabilities
- Increasing penetration of global 2-wheel market



## Emerging Data Center Platform

- Positioned to support strong demand for liquid-cooling solutions
- Natural extension of Gates' Fluid Power capabilities
- Early commercial traction supports continued scale-up



## Expanding Industrial Exposure

- Achieving cost proximity with industrial chain applications
- Growing presence with machine original equipment manufacturers (MOEMs)
- Increasing Diversified Industrial end market exposure via commercial and product strategies

**EVOLVING BUSINESS MIX TOWARDS INDUSTRIAL APPLICATIONS**

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# INNOVATION FUELING PRODUCT AND APPLICATION EXPANSION 15

## INNOVATION STRATEGY

**Broader coverage and higher vitality support share gains across developed and emerging markets**

### 1 Refresh the Core Portfolio

Rejuvenate established product categories around evolving customer and application requirements

### 2 Increase Product Vitality

Accelerate differentiated new-product introductions across the core and strategic growth platforms

### 3 Expand Addressable Applications

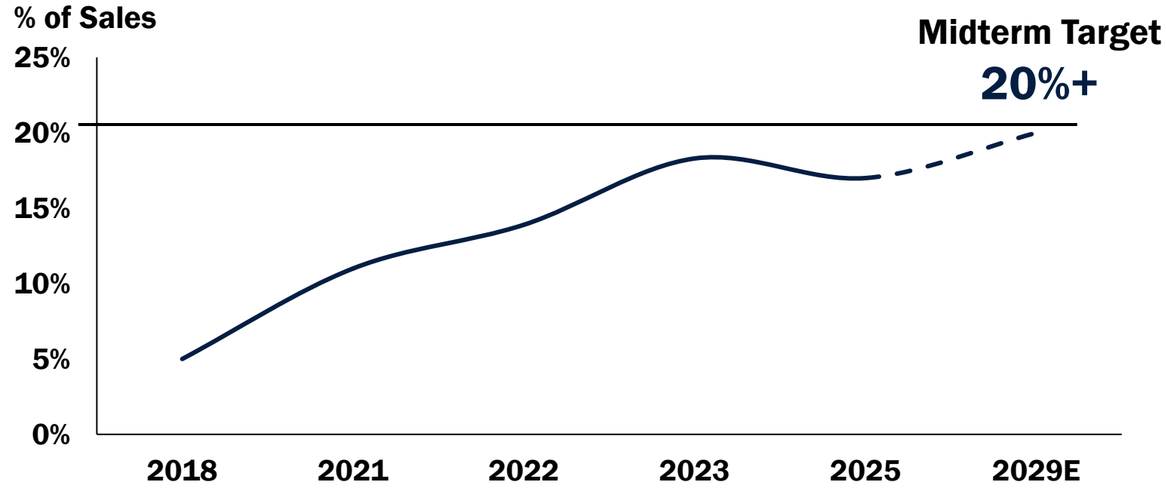
Apply Gates' materials science and engineering capabilities to enter new applications and markets

### 4 Improve Ease of Doing Business

Broaden product and application coverage to help customers source more complete solutions from Gates

## PRODUCT VITALITY TRAJECTORY

**New products increase customer relevance and expand participation across core and high-growth applications**




Notes: Calculation is based on percentage of revenues from products launched in the last 5 years

**REVITALIZING CORE**



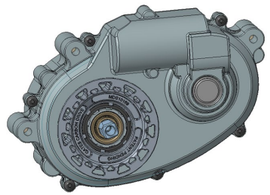
Poly Chain Carbon ONE

**DATA CENTER**



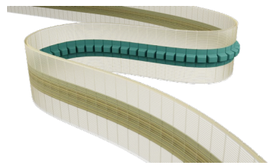
Stainless Steel Pump

**MOBILITY**



Infinity Drive

**INDUSTRIAL**



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# VALUE CREATION DRIVERS THROUGH 2029





## Core + Strategic Growth

**Drive Above- Average core Growth**

- Strengthen Core Positions
- Scale Strategic Initiatives
- Accelerate Innovation
- Expand Product Portfolio



## Margin Expansion

**Deliver Solid Incremental Margins**

- 80/20 Productivity
- Material Cost Reduction
- Leverage AI Tools
- Factory Productivity



## Strategic M&A

**Supplement Growth Through M&A**

- Grow Industrial Exposure
- Expand Product Capability
- Increase Global Reach
- Expand Market TAM

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# UNDERLYING MARKET TRENDS



## Portfolio Snapshot

**~$65B**
Total Addressable Market Exposure

**3**
High Growth Platforms

**4**
Core Markets

| Go To Market | Underlying Market | | |
|---|---|---|---|
| | END MARKET | TAM | 2026-29 CAGR |
| High Growth Industrial Markets | Diversified Industrial | ~$29B | + |
| | Mobility | ~$9B | + |
| | Data Center | ~$2B | +++ |
| Core End Markets | Automotive Aftermarket | ~$9B | + |
| | Industrial On-Highway | ~$4B | + |
| | Industrial Off-Highway | ~$8B | ++ |
| | Energy & Resources | ~$4B | ○ |

Notes: Total Addressable Market ("TAM") is based on management estimates

+++ HSD/DD ++ MSD + LSD ○ Flat

**WELL POSITIONED TO BENEFIT FROM SECULAR GROWTH AND BROADER MACRO THEMES**
**CORE GROWTH INITIATIVES KEY TO OUTPACE IP AND PEERS**

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# KEY STRATEGIES EMPLOYED TO FUEL CORE GROWTH



## Strengthen and Expand the Core

**Defend Core Positions** | **Increase Share Of Wallet** | **Expand Industrial Aftermarket**

### KEY GROWTH LEVERS

| | |
|---|---|
| **OPTIMIZE FRONT-END COVERAGE** | • Prioritize key accounts through 80/20<br>• Invest selectively to capture share |
| **EXPAND CHANNEL REACH** | • Broaden global market coverage<br>• Add aftermarket partners and products |
| **EXTEND PRODUCT COVERAGE** | • Expand across strategic accounts<br>• Leverage established customer relationships |

## Scale Strategic Growth Initiatives

**Build Data Center Business** | **Scale Mobility Business** | **Expand MOEM and C2B**

### KEY GROWTH LEVERS

| | |
|---|---|
| **BUILD OUT THE FRONT END** | • Add targeted industry expertise<br>• Establish dedicated market teams |
| **DRIVE INNOVATION TO INCREASE PENETRATION** | • Advance priority product platforms<br>• Reduce cost and expand applications |
| **EXPAND COMMERCIAL REACH** | • Focus on priority markets and regions<br>• Replicate proven commercial playbooks |

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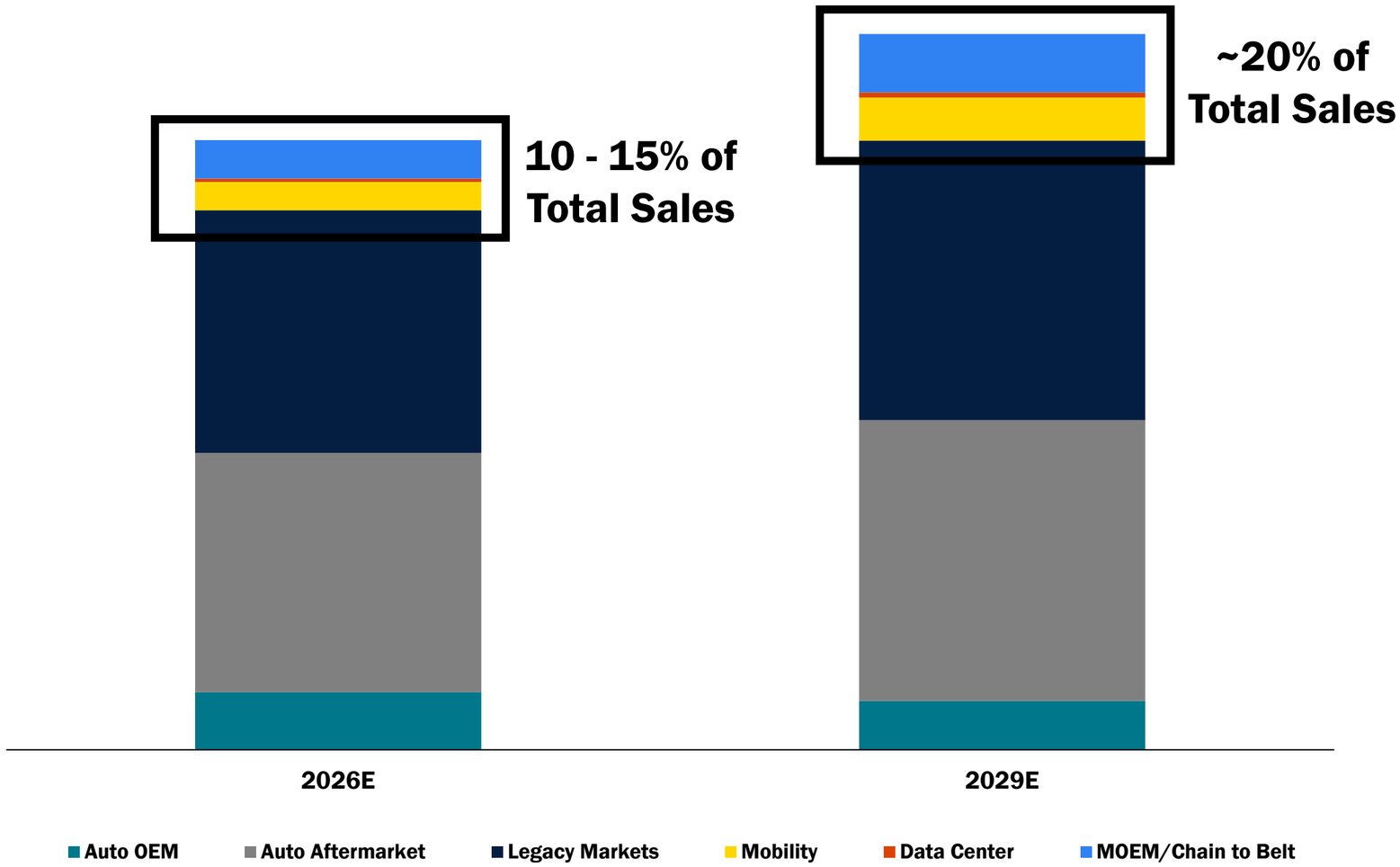
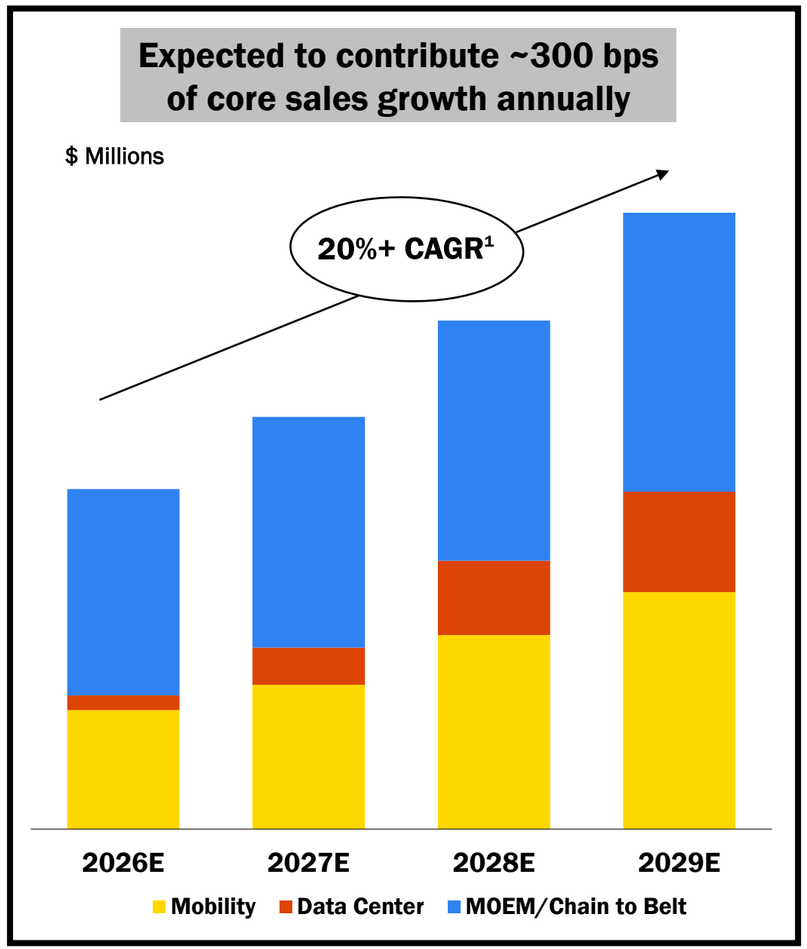
# ACCELERATING HIGH GROWTH INITIATIVES



## HIGH GROWTH VERTICALS EXPANDING HIGH TEENS THROUGH THE CYCLE




1. CAGR 2026E-2029E

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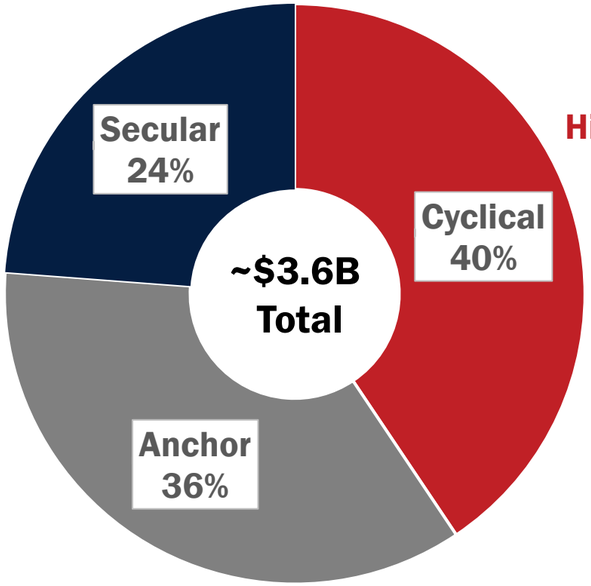
# GROWTH INITIATIVES ARE IMPROVING PORTFOLIO MIX



## 2026E Revenue Mix

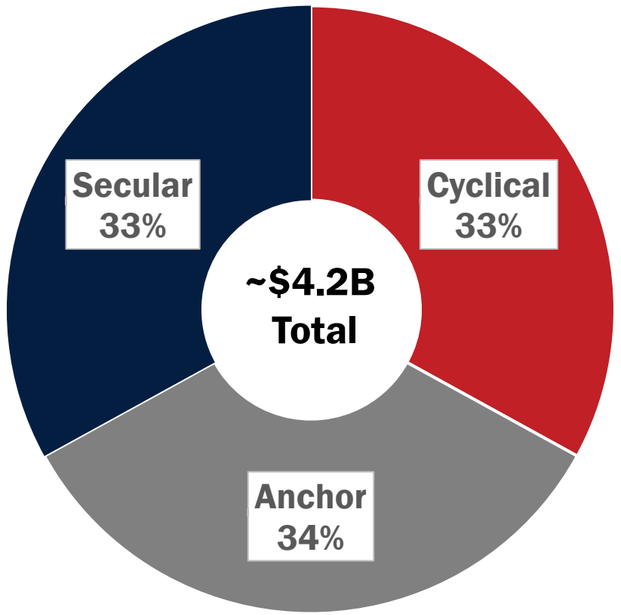
Diversified Industrial, Personal Mobility; Emerging data center




Auto Aftermarket

Energy, Auto OEM, Agriculture, Commercial Off-Highway. Commercial On-Highway

## 2029E Revenue Mix

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# TARGETING ADDITIONAL GROSS MARGIN EXPANSION



**150-200 bps expansion**

**2026E**

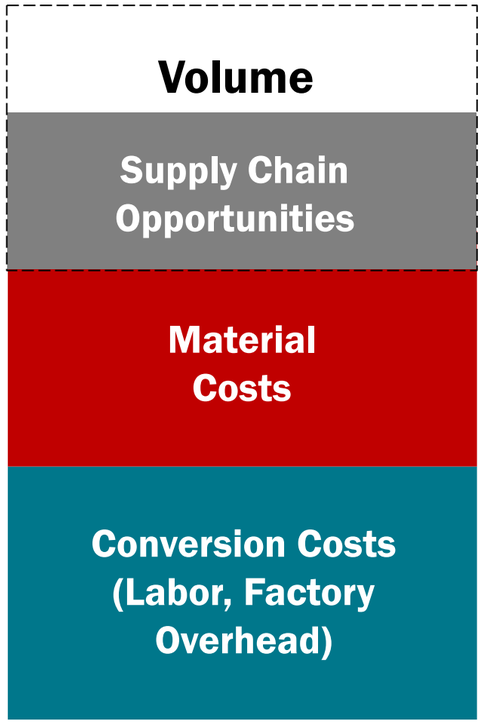
**GM ~41%**




**2029+**

**GM ~43%**

**Margin Expansion**




**Volume and Product Mix**

Anticipated market recovery & strong commercial focus

**80/20 and Supply Chain**

Advanced tools and analytics driving productivity

**Material Cost Savings**

Continuing benefit from focus on driving efficiencies

**Productivity**

Factory productivity and project savings

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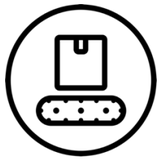
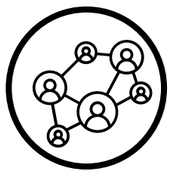
# FOCUSED ON DELIVERING DOUBLE-DIGIT ADJUSTED EPS GROWTH



| | | | | Mid-Term Targets |
|---|---|---|---|---|
| **Core Outgrowth Drivers** |  Data Center |  Mobility |  MOEM/C2B | **Core Revenue Growth** 4-6% CAGR |
| **Operating Leverage** |  Material Cost Reduction |  80/20 & Productivity |  Footprint Optimization | **Adj. EBITDA Margin Expansion** ~50 bps/year |
| **Capital Allocation** |  M&A |  Capex |  Share Repurchases | **Target M&A to Scale Business While Staying Opportunistic with Share Repurchases** |

**Low Double Digit Annual Adjusted EPS Growth**

**CORE GROWTH AND CAPITAL DEPLOYMENT EXPECTED TO DELIVER DOUBLE-DIGIT ADJUSTED EPS GROWTH ANNUALLY**

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# M&A CRITERIA UTILIZED TO CREATE LONG-TERM VALUE



## STRATEGIC FRAMEWORK

### 1 Strengthen the Core

- Expand Power Transmission or Fluid Power
- Add complementary products and capabilities
- Leverage Gates' existing commercial and operating strengths

### 2 Increase Industrial Exposure

- Expand in stationary and diversified industrial applications
- Reduce relative automotive concentration over time
- Improve the growth and resilience of the portfolio

### 3 Expand Scale and Reach

- Increase geographic presence
- Broaden channel and customer access
- Improve product and application coverage

## FINANCIAL FRAMEWORK

### 1 Pay a Sensible Valuation

- Maintain discipline on the entry multiple
- Support value creation through identifiable synergies

### 2 Deliver Attractive Returns

- Clear path to double-digit ROIC within five years
- Accretive earnings and cash-flow profile

### 3 Maintain Balance Sheet Flexibility

- Maximum combined leverage of approximately 3.5x
- Clear path below 2.0x within 18 to 24 months
- Preserve capacity for continued core investment

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# NITTA TRANSACTION – RATIONALE AND BENEFITS



**Once closed, the Nitta transaction removes structural constraints on our PT business, simplifying the portfolio and expanding our ability to deploy capital behind high-return growth opportunities**

## Before

- Shared economics on PT opportunities
- Constraints on APAC in core expansion
- More complex governance
- Higher OEM mix
- Restricted capital deployment options

## After

- Accretive to Earnings Per Share
- Greater M&A flexibility
- Simpler operating structure
- Improved portfolio mix
- Enhanced capital allocation flexibility

## Expected Strategic Value Created

**Expanded in core growth runway**

**Simplified operating structure**

**Increased financial flexibility**

**Better portfolio positioning**

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# KEY TAKEAWAYS



1. We can consistently deliver growth above market driven by key strategic initiatives

2. Through the cycle, we expect to deliver mid-single digit core sales growth

3. We have multiple tools to drive structural margin improvement

4. There is significant flexibility to deploy capital; we intend to use M&A to scale the company over time

**HIGHLY FOCUSED ON DRIVING CONSISTENT REVENUE GROWTH, EXPANDING MARGINS AND DEPLOYING CAPITAL RESPONSIBLY**

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# POWER TRANSMISSION GROWTH DRIVERS

**Tom Pitstick**
**President, Americas**

# KEY MESSAGES | POWER TRANSMISSION



1. Leading portfolio of solutions supports mission critical applications, with natural replacement cycles

2. Growth supported by favorable trends in core markets, augmented by secular growth opportunities

3. Product innovation positioning for accelerating growth

4. Go-to-market strategy supports legacy markets and dedicated teams for high growth verticals

**GATES IS WELL-POSITIONED TO EXPAND IN OUR LEGACY APPLICATIONS AND DRIVE GROWTH FROM EMERGING TRENDS**

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# PRODUCT SEGMENTS



## POWER TRANSMISSION: $2.1B[1]

### #1 GLOBAL MARKET POSITION IN BELTING



### 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: $1.3B[1]

### 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
- Data Center










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

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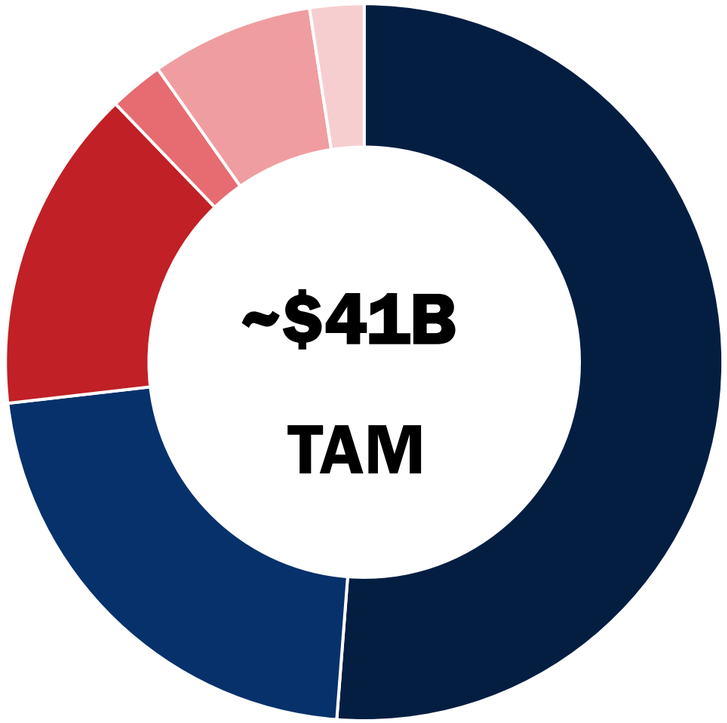
(1) FY2025 Net Sales

# POWER TRANSMISSION MARKET SIZE



## TOTAL ADDRESSABLE MARKET (TAM) BY END MARKET




| | |
|---|---|
| Diversified Industrial | ~$21B |
| Mobility | ~$9B |
| Automotive | ~$6B |
| Industrial On-Highway | ~$1B |
| Industrial Off-Highway | ~$3B |
| Energy & Resources | ~$1B |

### GROWTH PRIORITIES

**Diversified Industrial**

- Industrial Chain to Belt (C2B) and Machinery OEM (MOEM)

**Mobility**

- Expand Belt Drive Opportunity

**Automotive Replacement**

- Expand Product and Channel Coverage

**On / Off-Highway**

- Gain Share through Innovation and Targeted Capacity Investments

*Total Addressable Market (“TAM”) is based on management estimates

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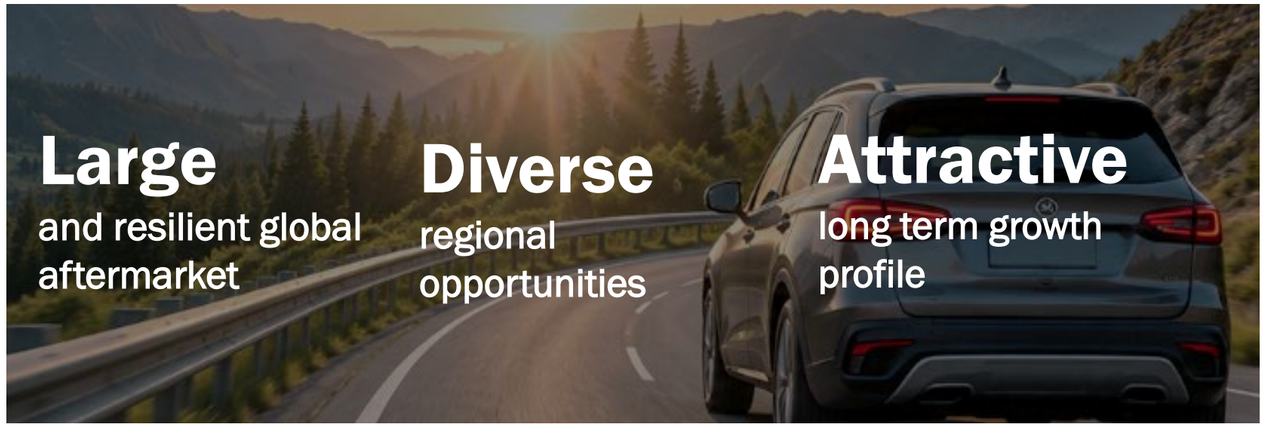
# CORE GROWTH OPPORTUNITY: AUTOMOTIVE AFTERMARKET






## North America
**Mature, stable business**

- Large, established, aging vehicle car parc
- Consistent demand
- Continued growth opportunities through distribution share gains and product innovation

## EMEA
**Stable with upside**

- Attractive mature markets
- Resilient demand through the cycle
- Opportunity to deepen coverage and increase market share

## APAC
**Significant runway**

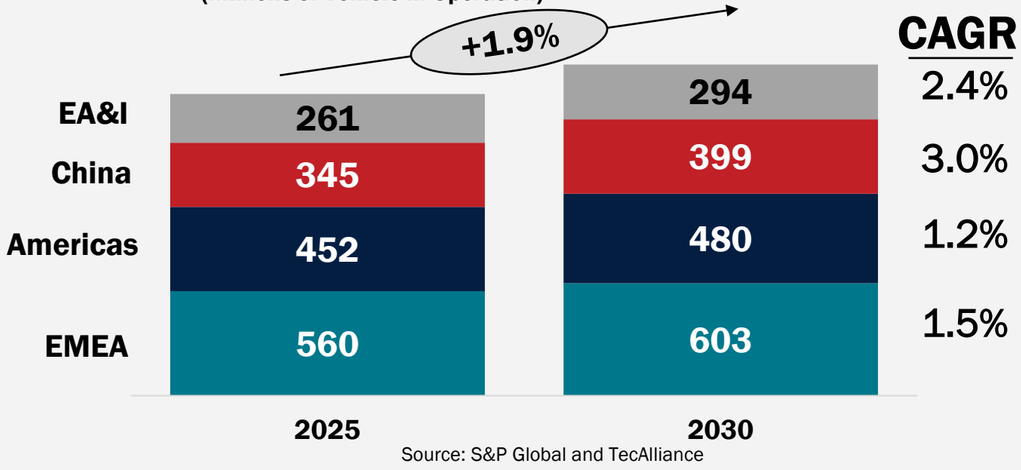
- Growing vehicle car parcs
- Average age entering the “sweet spot”
- Expanding distribution and coverage opportunities

## GLOBAL CAR PARC AGE

| REGION | AVERAGE FLEET AGE |
|---|---|
| EA&I | 10.5 Years |
| China | 7.7 Years |
| Americas | 12.9 Years |
| EMEA | 12.6 Years |

## GLOBAL CAR PARC SIZE GROWTH

(Millions of Vehicle in Operation)




Source: S&P Global and TecAlliance

**AUTO AFTERMARKET REMAINS A DIVERSE AND ATTRACTIVE END MARKET GLOBALLY**

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# WHAT MAKES GATES GREAT IN THE AUTO AFTERMARKET



## BEST IN CLASS PRODUCT LINE COVERAGE

- Industry leading in-field support, product quality, innovation and availability across all regions

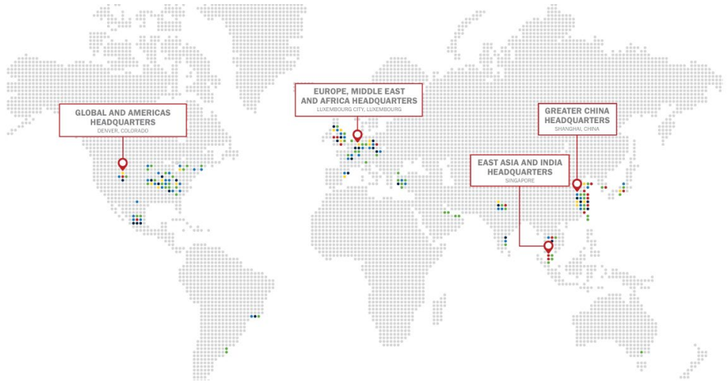
**~90%**

### CORE PRODUCT LINE APPLICATION COVERAGE[1]

Micro-V belts and Kits, Timing Kits, Tensioners, Coolant Hose

## GLOBAL FOOTPRINT, LOCAL SUPPORT

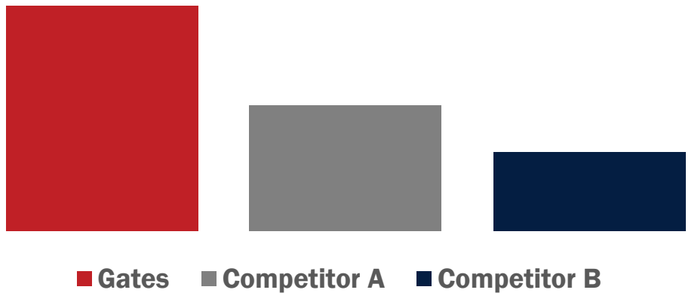
- Strong in-region, for-region footprint
- Ability to flex to support global customers, regional car parcs and capitalize on shifting market dynamics




## STRONG BRAND AT EVERY LEVEL OF THE VALUE CHAIN

- Gates is the most trusted belt, hose, & tensioner brand in the auto aftermarket

**~55%**




### #1 TECHNICIAN PREFERENCE[2]

1.Based on management estimates

2. Source: IMR/Endeavor Business Intelligence

**GATES PRODUCT COVERAGE IS ~90% ACROSS ALL VEHICLES**

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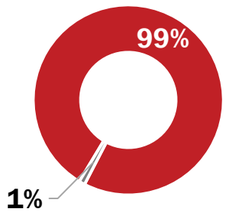
# AUTOMOTIVE AFTERMARKET INITIATIVES



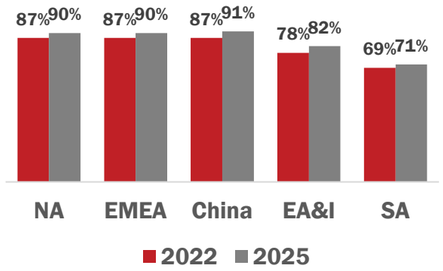
## CONTINUE PRODUCT LEADERSHIP

### CONTINUING TO DRIVE APPLICATION RESEARCH AND COVERAGE

**Applications Researched**




**Car Parc Coverage**




### ADDING NEW PRODUCT CATEGORIES



EV and Hybrid Parts

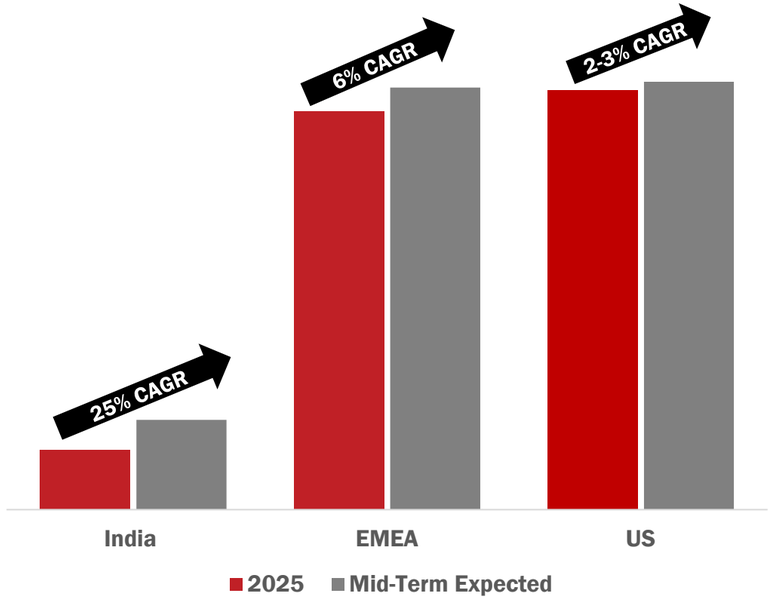


VVTs



Kits

## INCREASE CONTENT VALUE PER VEHICLE

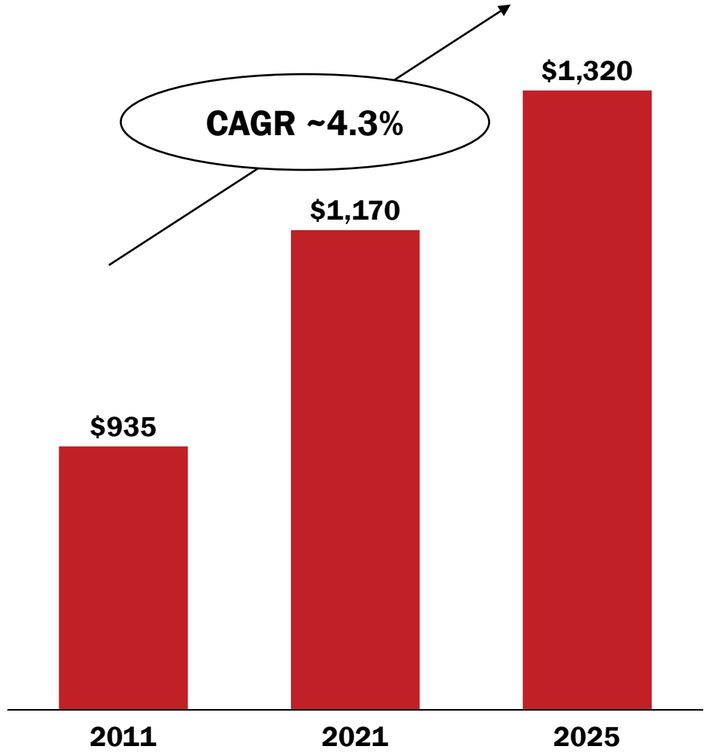



### CONTINUING TO DRIVE CONTENT PER VEHICLE IN OPERATION (VIO)

- Mature markets: LSD to MSD growth
- Emerging Markets: Double Digit growth

## CORE SALES GROWTH

($ millions)




**GATES AUTO AFTERMARKET SEGMENT 2011 TO 2025 CAGR 4.3%**
**EXPECTED TO CONTINUE TO GROW LOW TO MID SINGLE DIGITS THROUGH THE CYCLE**

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# SECULAR GROWTH OPPORTUNITY: INDUSTRIAL CHAIN TO BELT



## A BROAD FIELD OF OPPORTUNITIES FOR BELT DRIVE CONVERSION


Warehouse Automation

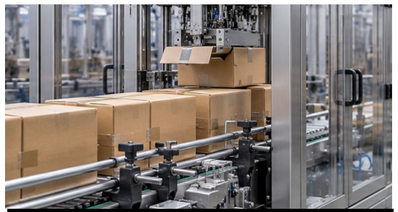

Food and Beverage


Pharmaceutical


Robotics


HVAC


Wood Processing


Packaging


General Manufacturing


Machine Tools

## WHY GATES

### GLOBAL LEADERSHIP

**#1 in synchronous belt drives across a wide variety of industrial applications**

### COMPELLING VALUE PROPOSITION

**Light, strong, reliable, clean, quiet, and maintenance-free**

### PRODUCT INNOVATION

**The highest performing product portfolio across all belt categories**

### DISTRIBUTION REACH

**Broad distribution coverage and strong OEM relationships**

### APPLICATION EXPERTISE & DESIGN TOOLS

**Dedicated business development and application engineering teams leveraging best in class tools for belt-drive design and product adoption**

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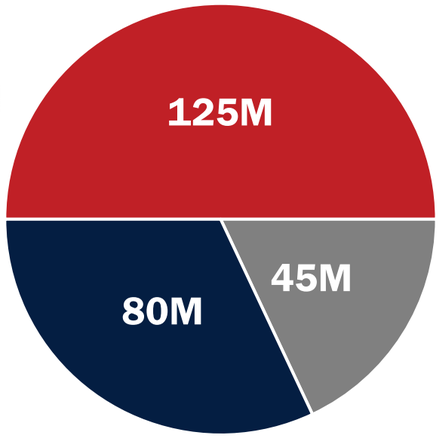
# SECULAR GROWTH OPPORTUNITY: MOBILITY



## LARGE MARKETS WITH SIGNIFICANT CONVERSION OPPORTUNITY



BICYCLES






MOTORCYCLES



SCOOTERS AND POWER SPORTS



(M of units produced globally in 2025 based on management estimates)

## WHY GATES

**GLOBAL LEADERSHIP**
Decades of experience across all mobility platforms

**COMPELLING VALUE PROPOSITION**
A cleaner, more efficient alternative to chain drive solutions

**BROAD PRODUCT PORTFOLIO**
Belts, sprockets and tensioners for all mobility platforms

**DEDICATED, GLOBAL TEAM OF SUBJECT MATTER EXPERTS**
Leadership and operating teams come from the mobility industry

**EXPANDING MARKET PENETRATION**
From value eBikes to ultra high-performance downhill bikes, from cruiser motorcycles to high performance race bikes

**INNOVATING TO TAKE SHARE IN LEGACY CVT BELT MARKETS**
Launching new belts to win in CVT scooter and ATV markets

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# KEY TAKEAWAYS | POWER TRANSMISSION



1. Leading portfolio of solutions supports mission critical applications, with natural replacement cycles
2. Growth supported by favorable trends in core markets, augmented by secular growth opportunities
3. Product innovation positioning for accelerating growth
4. Go-to-market strategy supports legacy markets and dedicated teams for high growth verticals

**GATES IS WELL-POSITIONED TO EXPAND IN OUR LEGACY APPLICATIONS AND DRIVE GROWTH FROM EMERGING TRENDS**

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# FLUID POWER GROWTH DRIVERS

**Cindy Cookson**
**VP & GM, Fluid Power Americas**

# KEY MESSAGES | FLUID POWER



1. Exposure to large, diversified and fragmented end markets; provides multiple avenues for growth
2. Established position in applications with long equipment lives and recurring replacement needs
3. Deep fluid conveyance and thermal management expertise creates incremental growth opportunities
4. Broad portfolio, global manufacturing footprint and established distribution network provide a scalable growth platform

**SHARE GAIN OPPORTUNITIES IN CORE BUSINESS COMPLEMENTED BY EMERGING GROWTH PLATFORMS**

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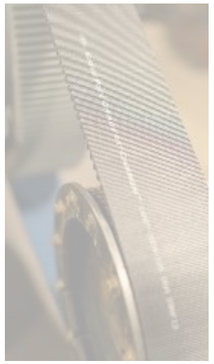
# PRODUCT SEGMENTS



## POWER TRANSMISSION: $2.1B[1]

### #1 GLOBAL MARKET POSITION IN BELTING



**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: $1.3B[1]

### TOP-3 GLOBAL MARKET POSITION




**PRODUCTS**

- Hydraulic Hose, Tubing and Related Components
- Thermal Management Hose
- Industrial Fluid Conveyance Hose
- Oil & Gas Hose
- Engine 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**

- In-Plant Fluid Power
- Data Center Liquid Cooling










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

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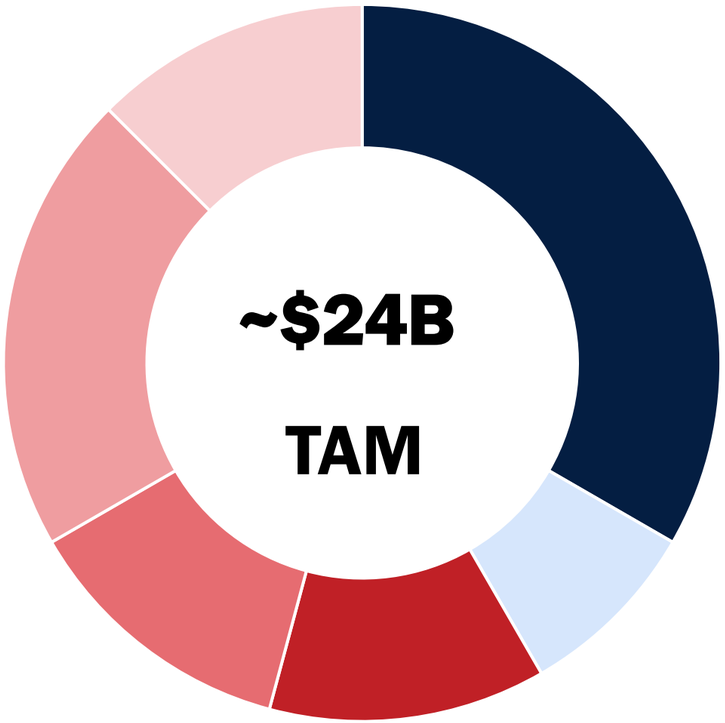
[1] FY2025 Net Sales

# FLUID POWER MARKET SIZE



## TOTAL ADDRESSABLE MARKET (TAM) BY END MARKET*




| | |
|---|---|
| Diversified Industrial | ~$8B |
| Data Center | ~$2B |
| Automotive | ~$3B |
| Industrial On-Highway | ~$3B |
| Industrial Off-Highway | ~$5B |
| Energy & Resources | ~$3B |

*Total Addressable Market ("TAM") is based on management estimates

## GROWTH VISIONS

- Large addressable markets across multiple end markets and applications
- Diversified exposure reduces reliance on any single market
- Significant runway to expand penetration across core industrial markets
- Additional growth vectors in high-growth applications and geographies
- Product portfolio depth and availability

**PARTICIPANT OF SCALE IN LARGE AND FRAGMENTED MARKET**

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# GATES FLUID POWER VALUE



**Broad Portfolio**
Depth and breadth

**Global Footprint**
Manufacturing in all regions

**Diverse Applications**
Strong mix across industries











**Materials Science and Service**
Engineered solutions

**Attractive End Markets**
Mix of Auto, Industrial Aftermarket and Ind. OEM

**Distribution Advantage**
Leverage network to expand reach

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# STRONG POSITION IN CORE INDUSTRIAL MARKETS



**Gates holds leading positions in our core end markets with meaningful opportunities to grow our base, channel presence, and share of shelf**



## Off-Highway

Established position in Off-Highway applications

Long equipment lives support recurring replacement needs



## Diversified Industrial

Broad application base across essential industries

Runway to deepen penetration and grow share



## On-Highway

Established global presence in commercial vehicle applications

Attractive aftermarket opportunity from growing car parc and aging fleets



## Oil & Gas

Established presence across critical oil and gas applications

Demanding conditions drive recurring replacement needs

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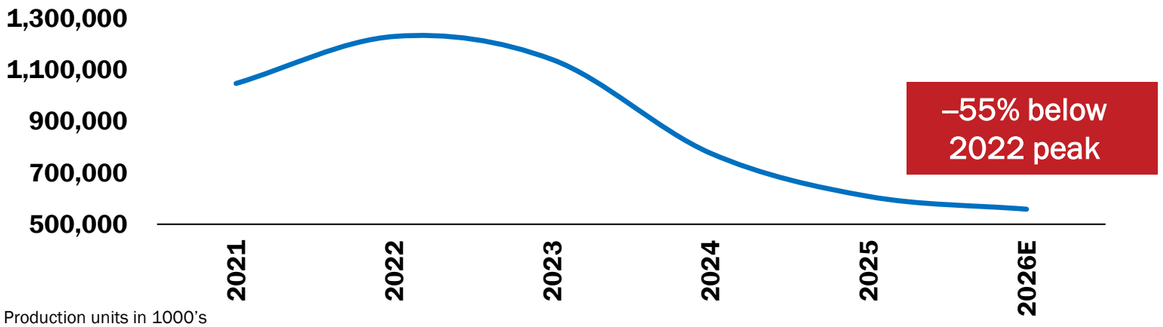
# END MARKET APPLICATIONS

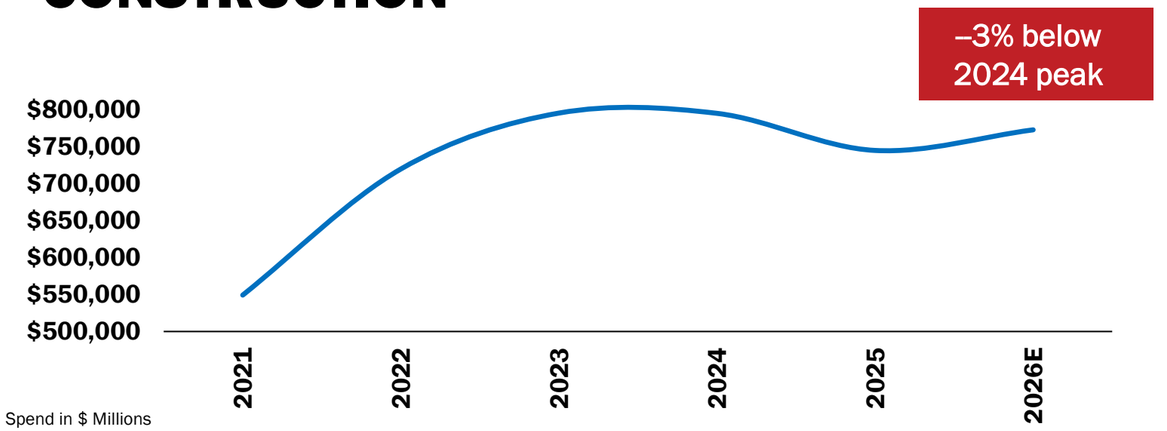


## AGRICULTURE[1]



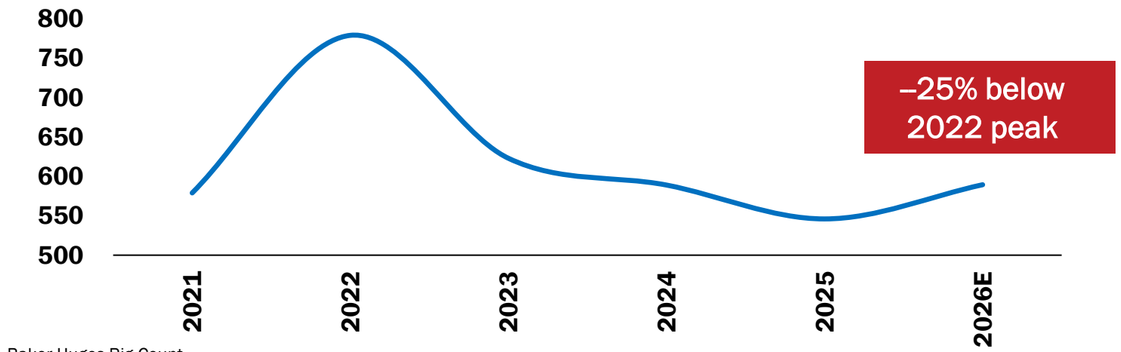

Production units in 1000's

## CONSTRUCTION[2]



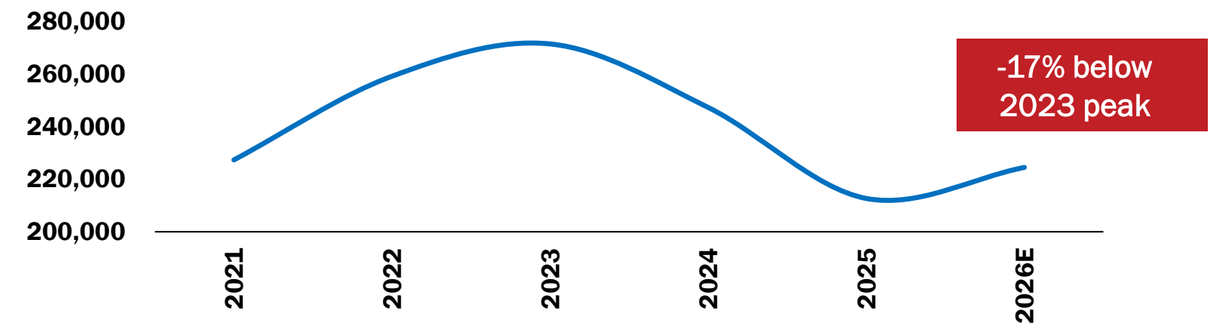

Spend in $ Millions

## ENERGY[4]




Baker Huges Rig Count

## COMMERCIAL TRUCK[3]




Total Units Sold

**MULTIPLE PATHS TO GROWTH, AIDED BY ANTICIPATED RECOVERY IN CORE INDUSTRIAL MARKETS**

Note: 2026E Based on September 2026 figures

1. North America Combine and tractor index
2. North America Non-residential construction
3. North America Class 8 Truck Unit sales
4. Baker Hughes Rig Count (US)

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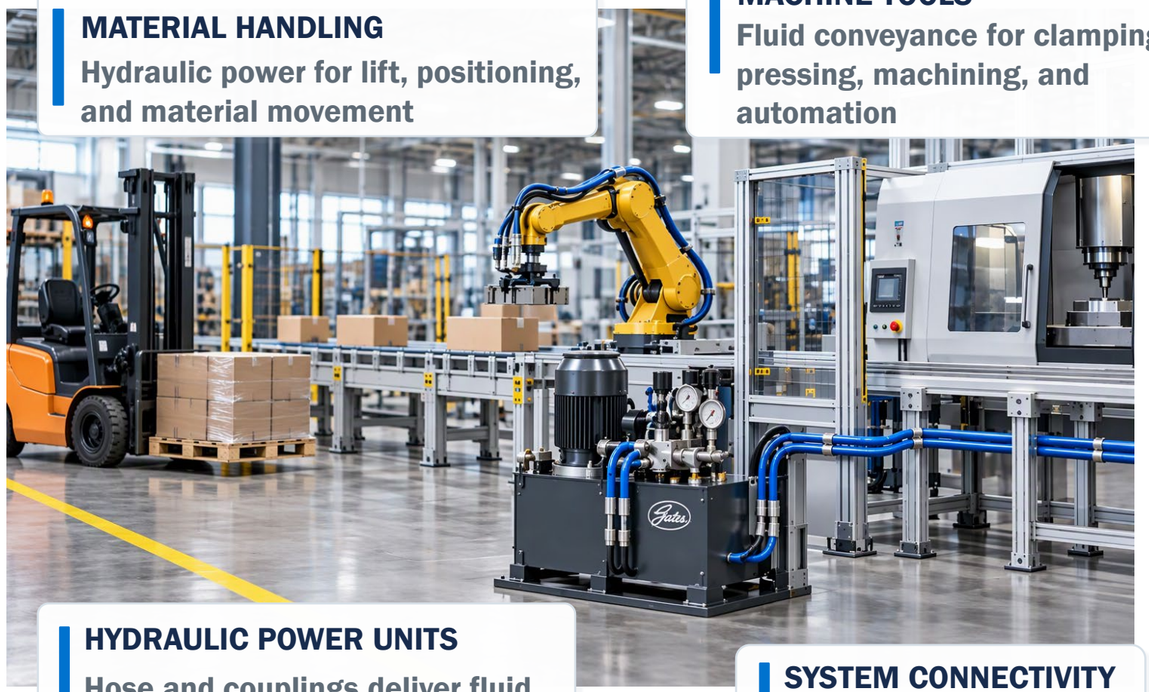
# FLUID POWER APPLICATIONS SUPPORT HIGH GROWTH MARKETS



## IN-PLANT FLUID POWER

**MATERIAL HANDLING**
Hydraulic power for lift, positioning, and material movement

**MACHINE TOOLS**
Fluid conveyance for clamping, pressing, machining, and automation



**HYDRAULIC POWER UNITS**
Hose and couplings deliver fluid to critical machine functions

**SYSTEM CONNECTIVITY**
Hoses, couplings and assemblies that keep operations running

## DATA CENTER LIQUID COOLING

**HIGH FLOW LOOPS**
Large diameter hoses support high-flow fluid conveyance



**IN RACK COOLING**
Hose, couplings support clean and compact liquid cooling connections

**CDU & COOLANT CIRCULATION**
In rack pumps fit within 4U architecture with flexible hoses for manifold and rack loops

**PROVEN FLUID POWER CAPABILITIES SUPPORT MULTIPLE GROWTH MARKETS**

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# KEY TAKEAWAYS | FLUID POWER



1. Exposure to large, diversified and fragmented end markets; provides multiple avenues for growth
2. Established position in applications with long equipment lives and recurring replacement needs
3. Deep fluid conveyance and thermal management expertise creates incremental growth opportunities
4. Broad portfolio, global manufacturing footprint and established distribution network provide a scalable growth platform

**SHARE GAIN OPPORTUNITIES IN CORE BUSINESS COMPLEMENTED BY EMERGING GROWTH PLATFORMS**

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# DATA CENTER STRATEGIC OVERVIEW

**Rebekah Headley**
**General Manager, Data Centers**

# KEY MESSAGES | DATA CENTER



1. Gates' current TAM for AI liquid-cooled applications approximates ~$2B
2. Gates' engineering expertise and broad product portfolio enables integrated solutions across the cooling fluid path
3. Product portfolio and customer specifications support growth across pumps, hoses, couplings, and assemblies
4. Investment in capacity, capabilities, and talent supports a $150–$250M revenue target by 2029

**DATA CENTERS AUGMENT OUR COMPANY'S REVENUE OUTGROWTH POTENTIAL**

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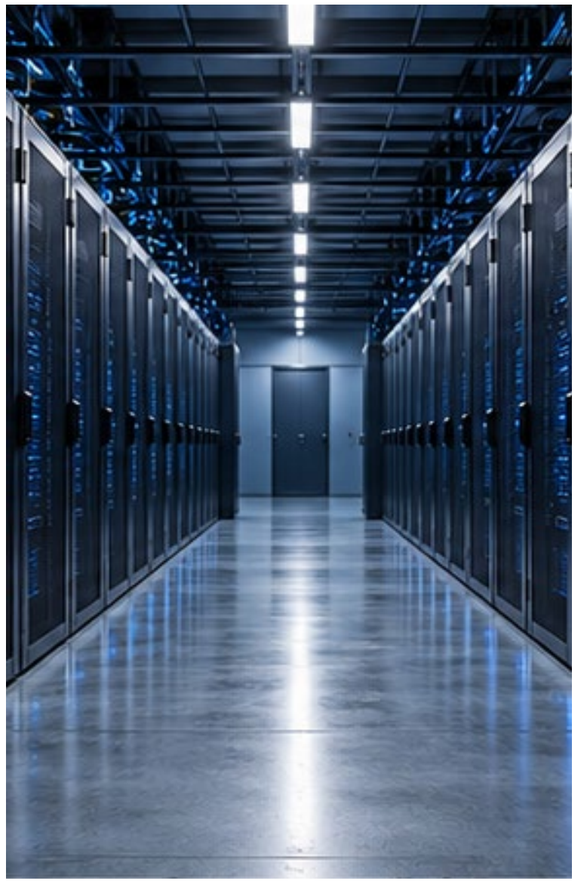
# AI IS DRIVING A STRUCTURAL SHIFT TO LIQUID COOLING





## AI density is forcing a technology transition

Next-generation AI racks are exceeding the practical limits of air cooling, making liquid cooling essential

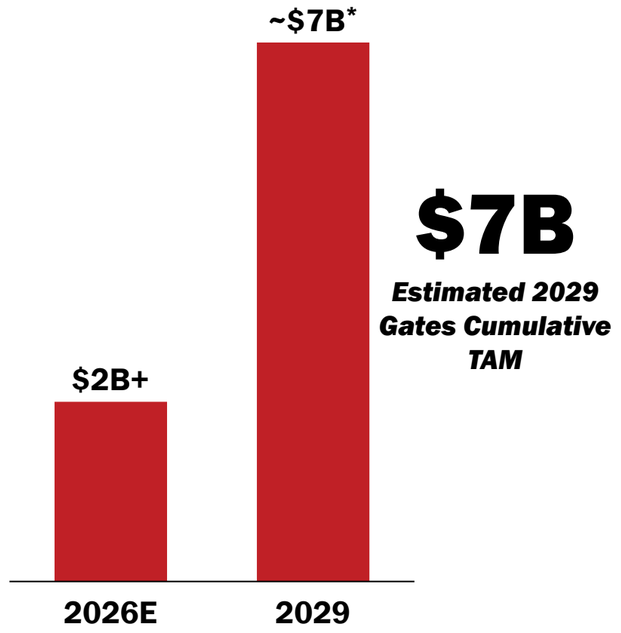
## Deployment has moved beyond early adoption

Liquid cooling penetration in AI data centers has more than doubled in the last 12 months, driven by next-generation AI platforms and hyperscaler deployments

## Liquid Cooling creates a large, high-growth adjacency for Gates

Gates' broad portfolio across hoses, fittings, pumps and engineered assemblies represents a significant addressable market by 2029

### Gates' Total Addressable Market* by 2029




*Cumulative TAM Based on Management Estimates

**LIQUID COOLING IS SCALING RAPIDLY, EXPANDING GATES' TAM TO $7B BY 2029**

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# EXPANDING OUR ROLE ACROSS THE LIQUID-COOLING FLUID PATH

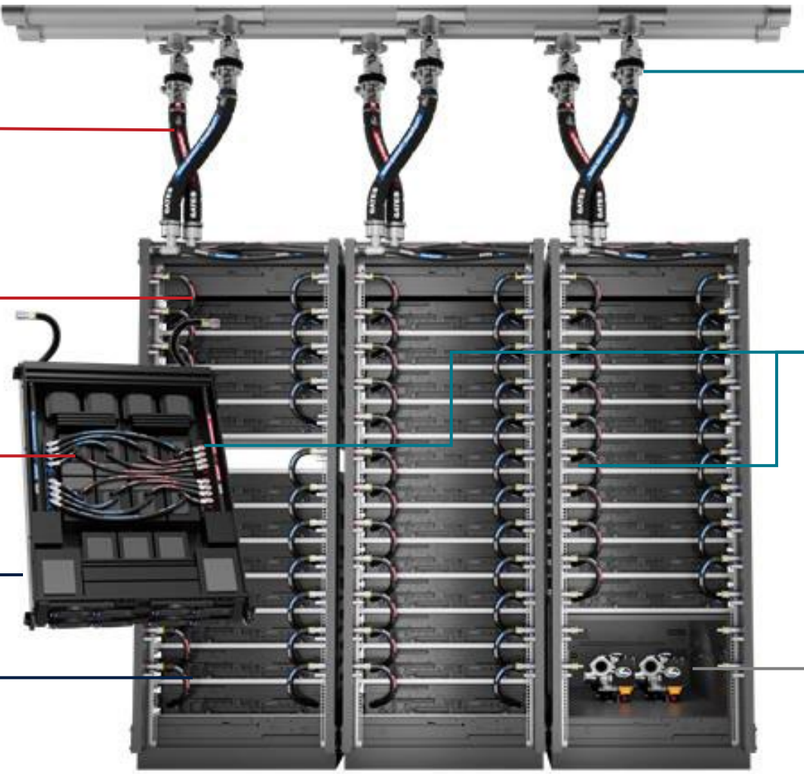


**Data Master & Data Master Megaflex**
Source line / rack-level cooling hoses













**Couplings**
Secure rack and source line connections







**Assemblies**
Validated, installation-ready solutions





**ThermalCool**
Pumps for CDU

## System Expertise

System-level engineering and application expertise

## Integrated Solutions

Validated solutions to accelerate installation and reduce complexity

## Global Footprint

Global manufacturing and supply capability

## Proven Leadership

Materials science, fluid conveyance, and thermal management expertise

**FROM FACILITY TO CHIP, GATES IS LEVERAGING CORE FLUID-CONVEYANCE CAPABILITIES TO CAPTURE MORE SYSTEM CONTENT**

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# SCALING INNOVATION ACROSS THE FLUID PATH



## ESTABLISHED MARKET POSITION

### COOLING HOSES




**Established position with deep engineering expertise and broad customer adoption with material differentiation**

Commercial Evidence

- **Google Deschutes 5.0 Specification**
- **Specifications with key OEMs**

## INNOVATIVE NEW MARKET PLATFORM ENTRY

### PUMPS



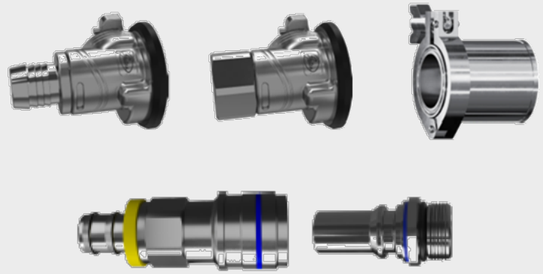
**Compact, high-performance technology designed for space-constrained, high-density rack**

Commercial Evidence

- **First CDU Deployment 2026 with major OEM**

## DIFFERENTIATED SYSTEM CONNECTIONS

### COUPLINGS



**Large and attractive content opportunity with recurring platform wins, addresses flow restrictions**

Commercial Evidence

- **UQD – Available on OCP Marketplace**

## GREATER CUSTOMER INTEGRATION

### ASSEMBLIES




**Higher-value engineered content with strong customer stickiness**

Commercial Evidence

- **Test and Balancing Kit, deployed to commission hyperscaler data centers**

**EXPANDING FROM COOLING HOSES INTO PUMPS, COUPLINGS AND ENGINEERED ASSEMBLIES FOR MORE CONTENT PER SYSTEM**

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# TARGETED GLOBAL INVESTMENT SUPPORTS COMMERCIAL SCALE



## CAPACITY



### Manufacturing and Assembly

- Dedicated assembly capacity
- Global production footprint
- Rapid prototype-to-production

**Support customer growth and ramps**

## CAPABILITY



### Engineering, Testing and Validation

- Investment in Fluid Analysis Lab, testing and validation
- Product and assembly qualification

**Enable qualification and product development to compress time to launch**

## PEOPLE



### Dedicated Data Center Organization

- Technical leadership
- Commercial coverage
- Operational expertise

**Deepen expertise across liquid-cooling ecosystem to increase speed and customer intimacy**

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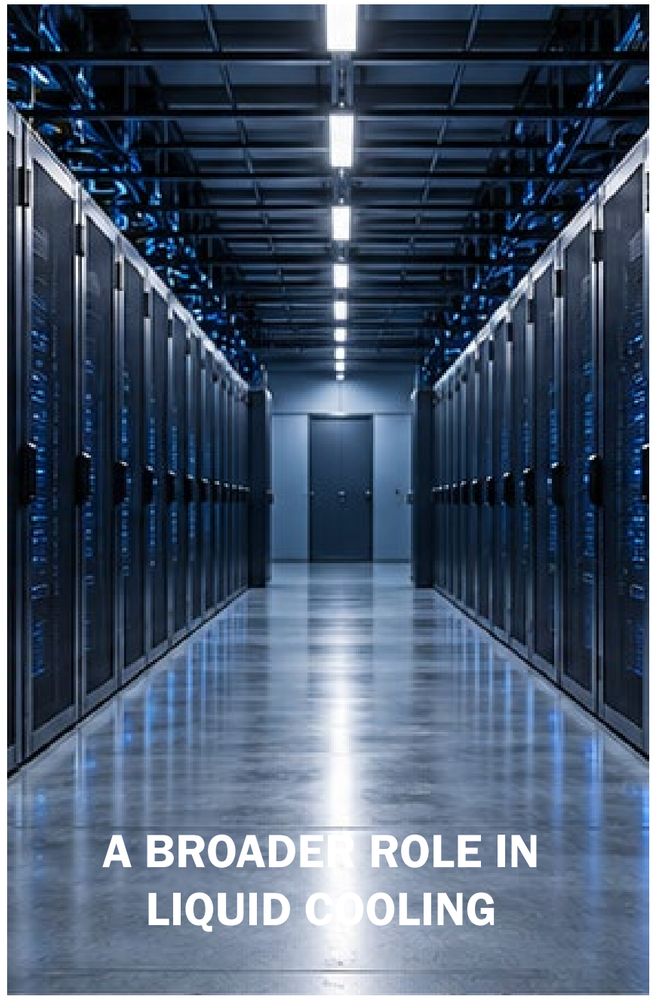
# GROWTH PROJECTIONS AND SUMMARY






## A GROWTH MARKET

**AI compute density is accelerating liquid cooling adoption and expanding Gates' addressable opportunity**

## A BROADER PORTFOLIO

**Pumps, hoses, couplings and assemblies, supported by system engineering and materials science**

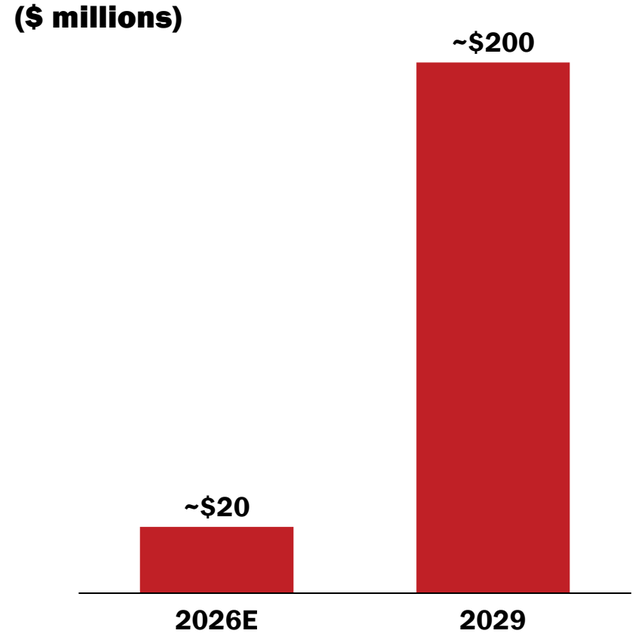
## COMMERCIAL PROGRESS

**Customer specifications and deployments provide a foundation for new product and platform growth**

## INVESTMENT TO SUPPORT SCALE

**Investment in capability, capacity and people to support customer, production and deepen our expertise**

### Core Sales Growth Projections




# ~$150-$250M

By 2029

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# KEY TAKEAWAYS | DATA CENTER



1. Gates' current TAM for AI liquid-cooled applications approximates ~$2B
2. Gates' engineering expertise and broad product portfolio enables integrated solutions across the cooling fluid path
3. Product portfolio and customer specifications support growth across pumps, hoses, couplings, and assemblies
4. Investment in capacity, capabilities, and talent supports a $150–$250M revenue target by 2029

**DATA CENTERS AUGMENT OUR COMPANY'S REVENUE OUTGROWTH POTENTIAL**

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# PERSONAL MOBILITY STRATEGIC OVERVIEW

**Chris Sugai**
**General Manager, Mobility Business Unit**

# KEY MESSAGES | MOBILITY



1. **Two-wheeler electrification has fueled Mobility's double-digit growth since 2020, with continued momentum expected**

2. **Advances in motor and gearbox technologies support broader e-bike adoption**

3. **Launching over 200 new product SKUs in 2026, with 300+ planned for 2027**

4. **Digital tools streamline customer conversion**

**PERSONAL MOBILITY IS STILL EARLY ON ITS GROWTH CURVE**

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# STRONG PRODUCT PORTFOLIO AND INDUSTRY POSITION



## MARKET TRENDS

- Electrification
- Reduced Carbon Footprint
- Emerging Economy Transportation Needs

## GATES OPPORTUNITY IN TARGET MARKETS

**Full suite of applications to meet variety of end market needs**

### Gates Product Suite



Synchronous Belts



CVT Belts



Drive Systems



Transmissions

### Gates Target Markets & Applications*







| | Bicycles | Scooters, Motorcycles and Power Sports |
|---|---|---|
| Market Growth | LSD (Overall)<br>MSD (eBike) | LSD (Overall)<br>MSD (eScooters/eMotorcycles) |

*Based on management estimates over the mid-term

**EXPANDING OUR MARKET SHARE VS. CHAIN BY LEVERAGING THE VALUE PROPOSITIONS BELT DRIVES DELIVER**

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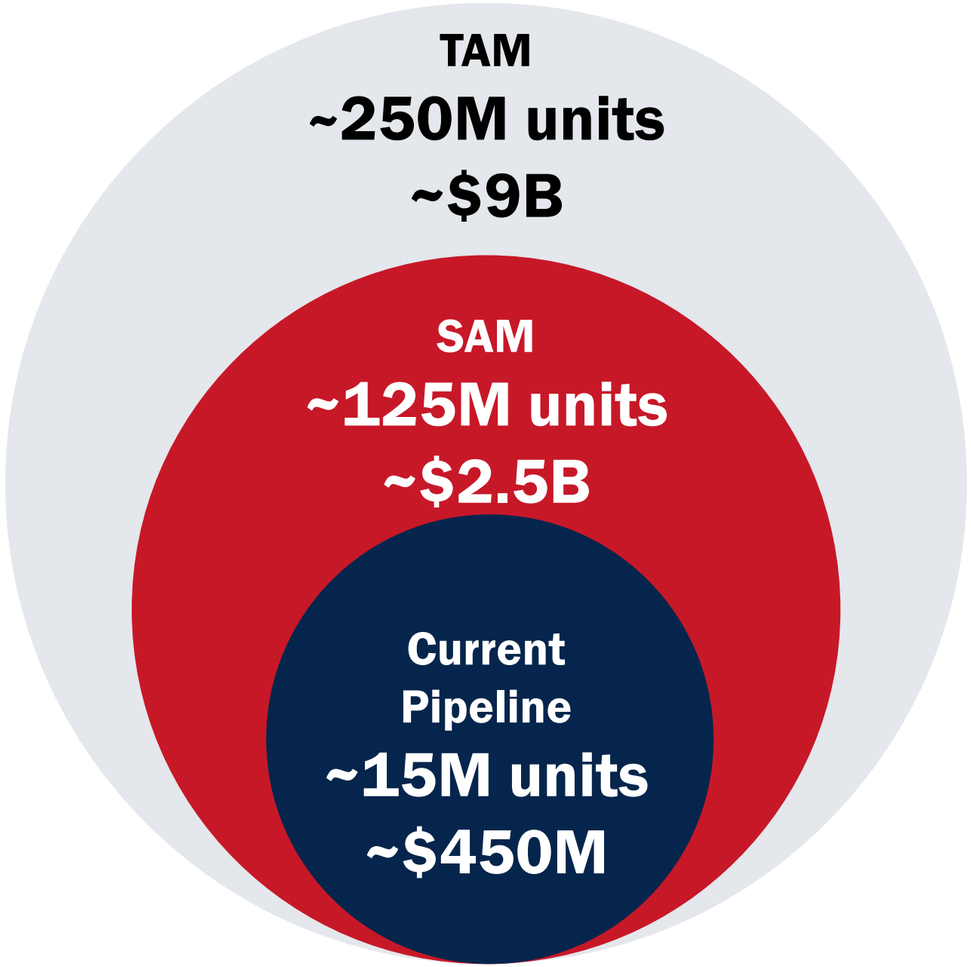
# MOBILITY SAM AND OPPORTUNITIES

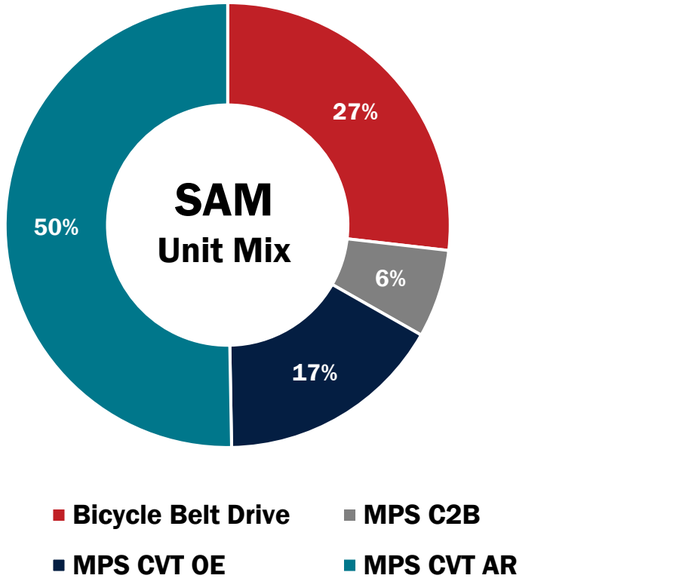


## A Large Global Addressable Market*




*Based on Management Estimates

## SAM by Segment*

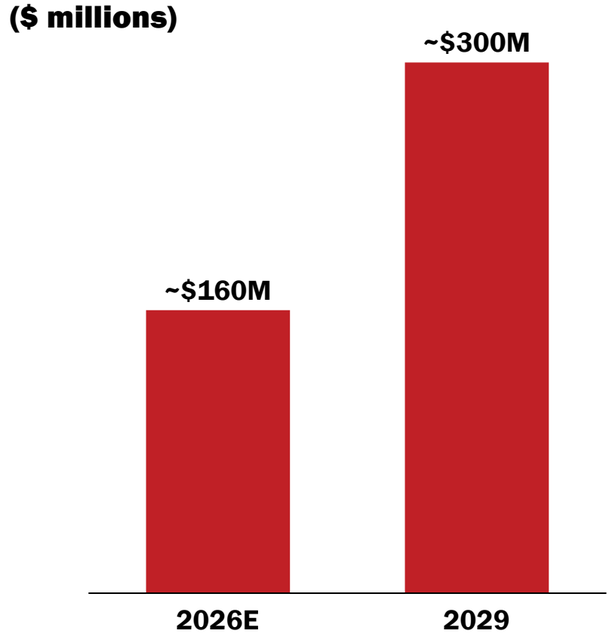



**Bicycle & eBike:** Continued e-bike adoption as a share of the overall bicycle market

**Product Line:** Product line expansion into new segments to enable belt adoption

**Chain to Belt:** Chain to belt conversion in mature and emerging markets

## Core Sales Growth Projections




**~$300M**

By 2029

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# PRODUCT EXPANSION OPPORTUNITIES

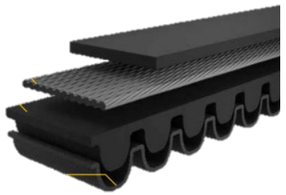


## INNOVATION



MOTO XF & XR SPROCKETS

MOTO X5 BELT





ADV



COMMUTE



CRUISE

Bringing down the cost of belt drive while expanding new product offerings

## NEW APPLICATION EXPANSION









Driving penetration into new applications

- E-Mountain Bikes (eMTB)
- Value e-Bikes
- Gravel Bikes
- APAC & India mid-value Motorcycles
- APAC & India CVT Scooters
- Timken product expansion – Snowmobiles, ATVs, etc.

**$450M+**

Current Open Opportunity Pipeline

**~$60M**

2026 Program Wins

**~75%**

2026 Mobility Vitality Index

**~2%**

2026 Gates Two-Wheeler Market Share

**~25%**

Mobility Growth CAGR (2026-2029) and Double The Market Share

**DRIVING SHARE GAIN BY LEVERAGING VALUE PROPOSITIONS OF BELT DRIVES**

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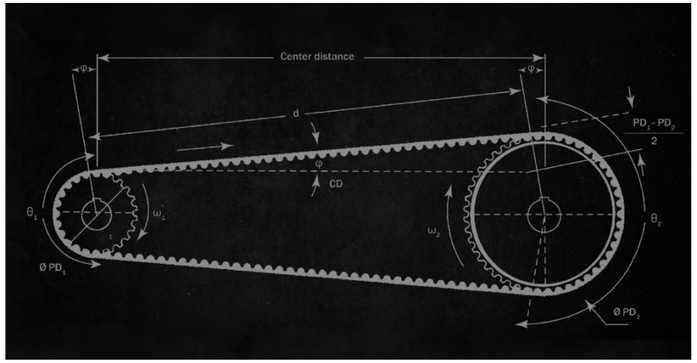
## DESIGN POWER 2.0

- Design Power software accelerates PT drive design and provides a recommended Gates products bill of materials

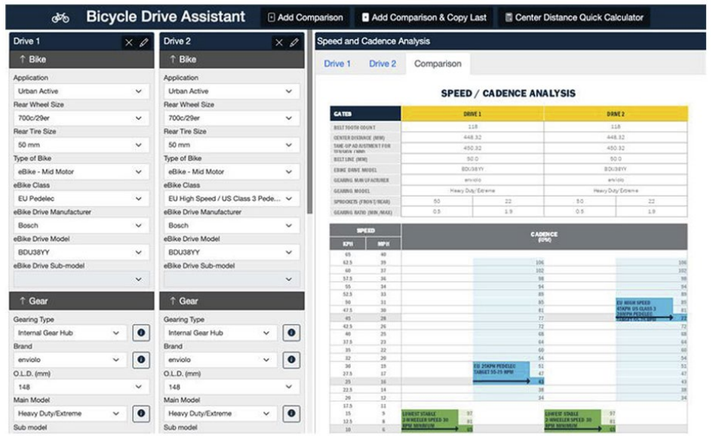






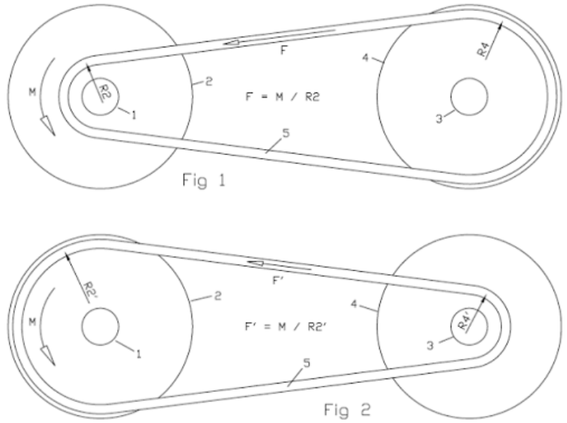

## BICYCLE DRIVE ASSISTANT

- Drivetrain solutions for beltline, gearing, and drive system compatibility while accounting for the target bicycle application—including different classes of eBikes.




## NEW CVT DESIGN SOFTWARE

- Expanding our Design Power suite to CVT drive design enabling selection of Gates products




**DIGITAL TOOLS FACILITATE DESIGN AND ADOPTION 24/7**

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# KEY TAKEAWAYS | MOBILITY



1. **Two-wheeler electrification has fueled Mobility's double-digit growth since 2020, with continued momentum expected**

2. **Advances in motor and gearbox technologies support broader e-bike adoption**

3. **Launching over 200 new product SKUs in 2026, with 300+ planned for 2027**

4. **Digital tools streamline customer conversion**

**PERSONAL MOBILITY IS STILL EARLY ON ITS GROWTH CURVE**

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# PRIORITY BICYCLES

DAVID WEINER

CONNOR SWEGLE

# PRIORITY BICYCLES: A NEW BICYCLE CATEGORY



## 2014

## A FIRST BICYCLE BRAND BUILT AROUND LOW MAINTENANCE

- Founded by partners driven by innovation for the masses
- David Weiner (CEO) and Connor Swegle (CMO) combined cycling, technology and consumer brand experience




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# ACHIEVEMENTS TO DATE





**High Quality,**

**Best in Class Value,**

**Industry Leading Customer Service**

**200K**

**BIKES ON THE ROAD**

**700+**

**HOTEL AND BRAND FLEETS**

**29%**

**GROWTH CAGR COMPARED TO <1% INDUSTRY AVERAGE**

Note: Industry average is based on available industry data only from 2015 - 2024

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# GATES + PRIORITY: A SHARED AMBITION






## WHY GATES

### Shared Value

**A partner who understood our customer promise**

### Innovation Together

**To deliver a better customer experience**

**The Partnership began with our 2014 Kickstarter Launch**



### Gates Carbon Drive

**Carbon fiber-reinforced belt**

**At the heart of our low-maintenance promise**

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# PARTNERSHIP JOURNEY WITH GATES



## 2014

### Kickstarter Launch

- Created the Low Maintenance Bicycle Brand

## 2015

### Commuter + beach

- Reinvented the beach cruiser to take on all conditions

## 2017

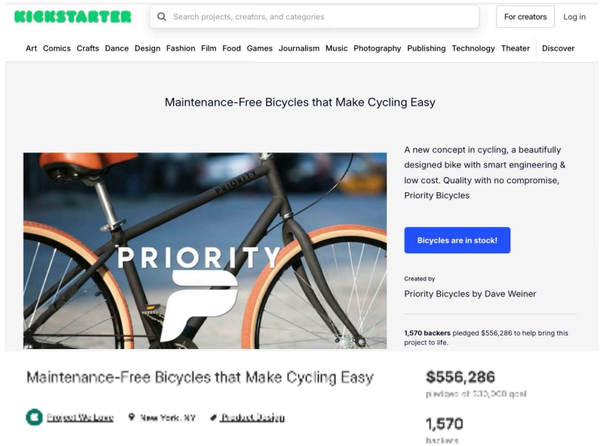
### Hospitality & Fleet

- Unlocked hotels, resorts, and campuses with 700+ to date

## 2018

### Adventure

- Explored the most remote terrain




## 2020

### Family Cargo

- Brought families together to change urban mobility



ST REGIS
VICEROY Hotels and Resorts
Le MERIDIEN
THE RITZ-CARLTON®
NANTUCKET ISLAND RESORTS
MARRIOTT

## 2025

### Mountain

- Winning on the world's biggest stages

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## PENETRATION OPPORTUNITIES ABOUND




**Unlocking urban mobility for families**




**Adding value to campuses and fleets**



**Blending auto innovation with cycling**

## NEW FRONTIERS OF INNOVATION

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# INDUSTRIAL CHAIN TO BELT STRATEGIC OVERVIEW

**Mike Haen**
**VP, GPLM & Marketing • Global Product Line Management**

# KEY MESSAGES | INDUSTRIAL CHAIN TO BELT



1. Chain to belt represents an estimated ~$4B system market opportunity for Gates
2. Product innovation improves cost competitiveness and expands application coverage
3. Digital tools simplify customer conversion
4. Growth execution targets new OEM specifications and installed-base conversions

**CHAIN TO BELT OPPORTUNITY EXPANDS GATES' ADDRESSABLE MARKET AND IS A SECULAR GROWTH DRIVER**

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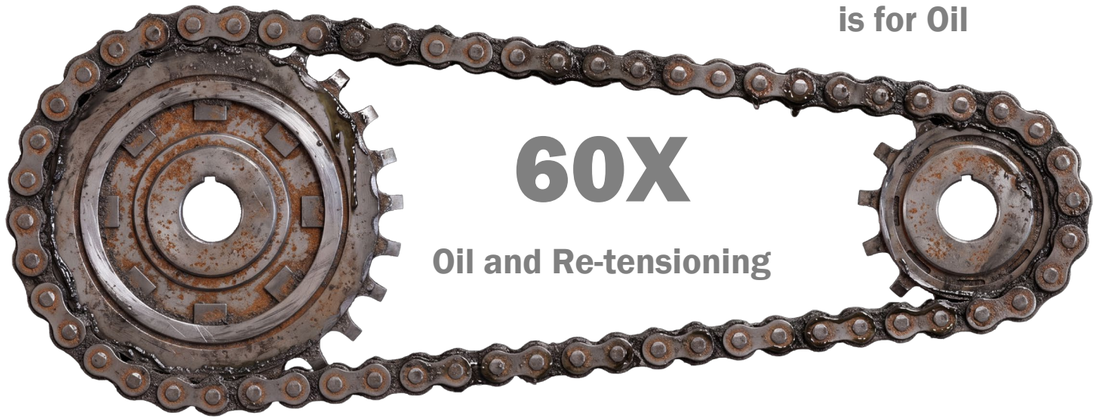
# CHAIN AND BELT DRIVE OVERVIEW



## ROLLER CHAIN DRIVE

**3X**
Sprocket Replacement

**75% of TCO**
is for Oil



**60X**
Oil and Re-tensioning

## BELT DRIVE

**ZERO**
Replacement or Re-tensioning

**40X**
Fewer $CO_2e$ emissions[1]



**Up to 97%**
Lower Weight

## C2B VALUE PROPOSITION SUMMARY

**Typical Payback Period of 4-5 months, with a range of 0-12 months**

- Sustainability
- Oil Free
- Lower Noise & Vibration
- Maintenance Savings
- Safety
- Weight Reductions

Note: Statistics are based on management estimates and assume 10-year drive life

1) Savings summarized are based on a 2022 assessment by Anthesis of a 10-year operating period for one production facility that converted from a chain system to a Gates synchronous belt-drive system.

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## ADDRESSABLE MARKET EXPANSION INITIATIVES

### 1 Innovate to Cost Proximity

Reduce sprocket width through increased belt load carrying capacity

Transfer technology to high volume processes

Lower cost alternatives to metal sprockets



### 2 Expand Addressable Applications

Multi-tiered portfolio for application-driven optimization

Address double sided chain drives

Provide application specific items as standard



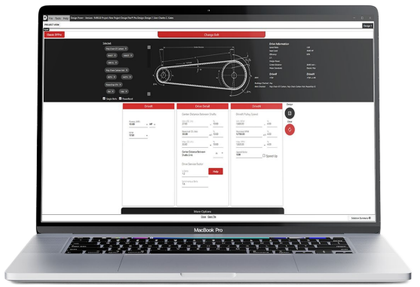
### 3 Simplify Conversion

Commercial & application engineering resources to support OEM spec-in activity

Self-serve digital design tools

Chain replacement guides and savings calculators

“Buy Now” streamlined buying experience



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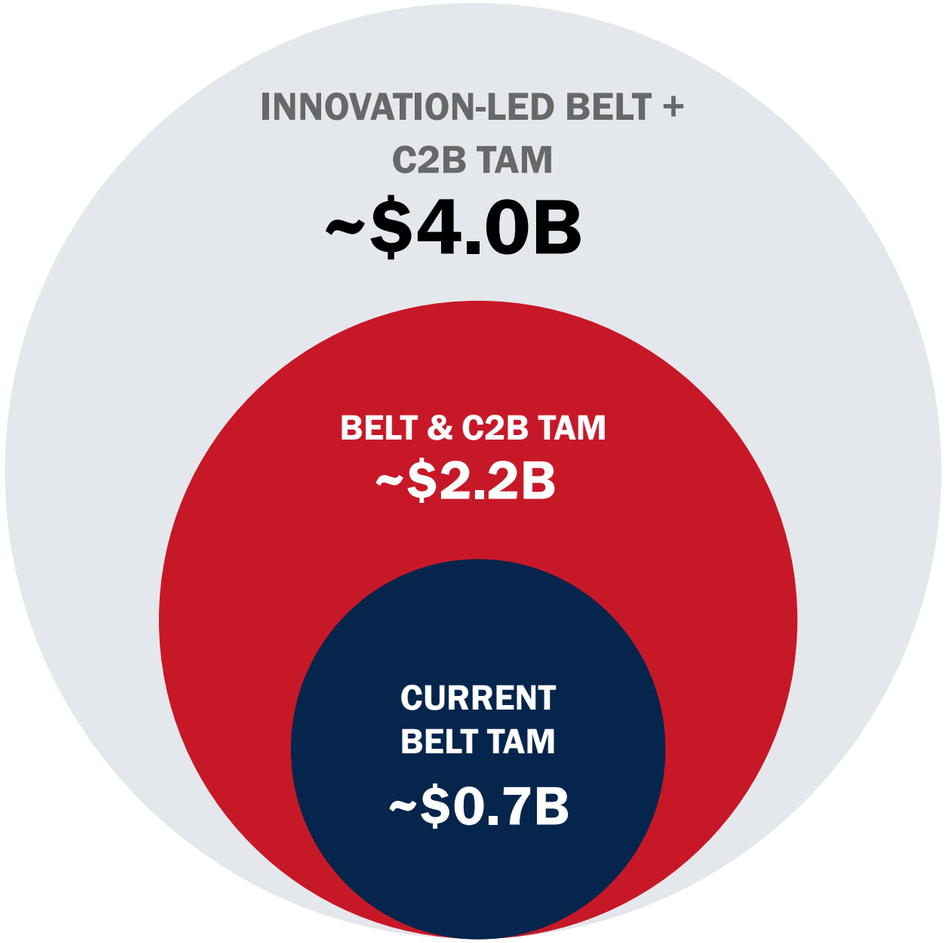
# INDUSTRIAL CHAIN TO BELT (C2B)
## EXPANDING OUR ADDRESSABLE MARKET






**Belt innovation expands the addressable opportunity**

**+$1.8B**

**Additional belt SAM through innovation**

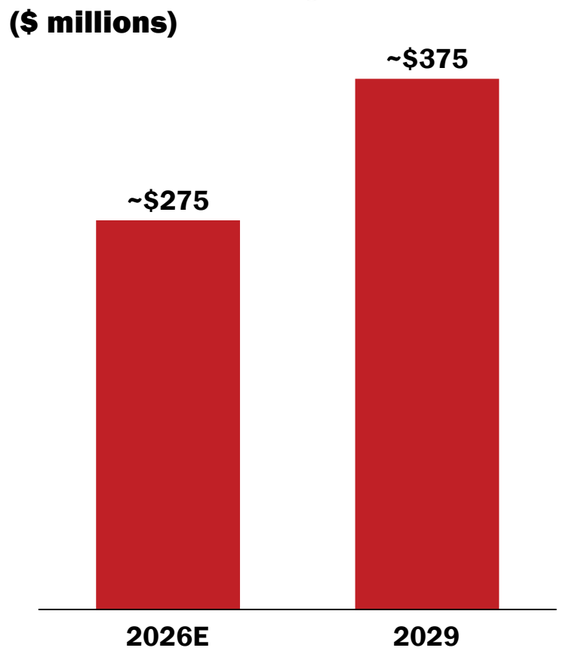
**~50%**

**Of total sync belts and chain market potentially serviceable**

**5x-6x**

**Current belt TAM**

**Core Sales Growth Projections**




**~$375M**

By 2029

Note: TAM is based on Management Estimates

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# C2B ECO-INNOVATION



## C2B INNOVATION

### Lower System Cost

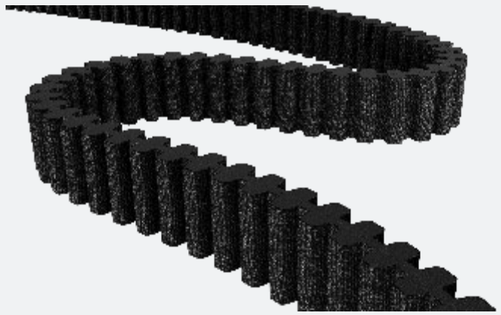
**Poly Chain Carbon One**




- Extending market leadership with drastic load carrying capacity increase
- Allows thinner, lower cost drives
- Static conductivity standard for 80/20 global SKU consolidation

### Complex Two-Sided Drives

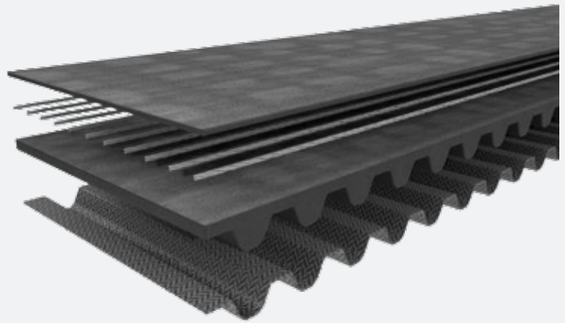
**PowerGrip Twin Power**



- Equal load carrying capability vs. chain on both sides
- Expands SAM to address multi-point chain drives
- Next Generation expected in early 2027 that will reduce drive width by 40% or more

### New Value Solution

**PowerGrip GT Carbon**

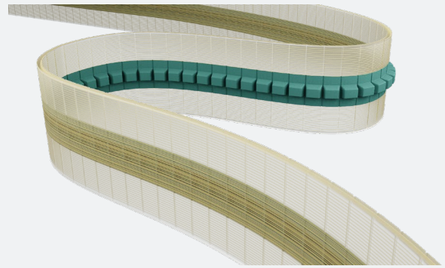


- Delivers solution to fill critical C2B portfolio gap – planned for mid-2027
- Leverage mobility market technologies to introduce carbon cord in an industrial rubber belt
- Lower price point with higher volume production process

## COMPLEMENTARY

### Adjacent Intralogistics

**LRB-100**



- TPU Intralogistics solutions
- Eliminates the major cause of downtime
- Leverages intralogistics successes
- Complementary offering with other chain drives

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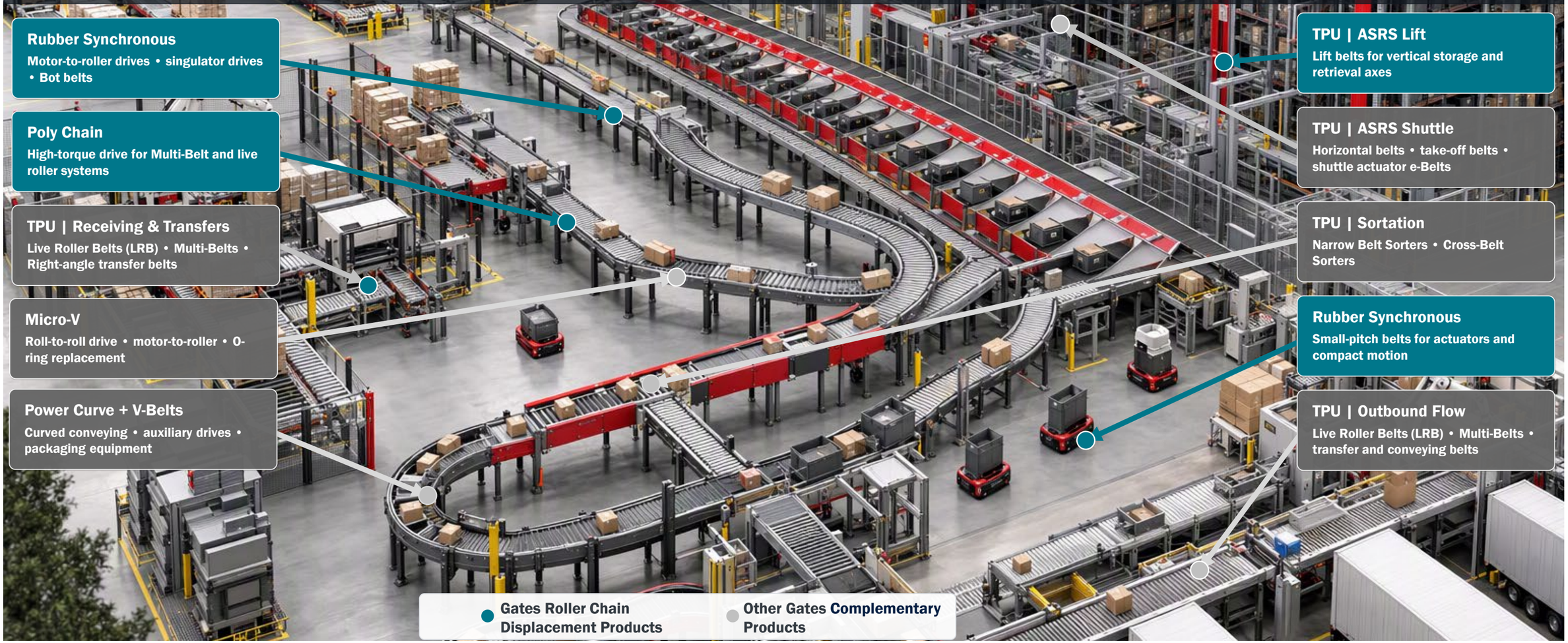
# GATES BELT SOLUTIONS ACROSS AN AUTOMATED WAREHOUSE



## END-TO-END INTRALOGISTICS OPPORTUNITY – FROM RECEIVING TO SHIPPING




**MULTIPLE GATES SOLUTIONS SUPPORT MOTION, CONVEYANCE, STORAGE, AND SORTING**

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# C2B APPLICATION AND GROWTH EXECUTION



## SAMPLE APPLICATIONS WITH CLEAR CUSTOMER VALUE



### Packaging Equipment

**Improve uptime and maintenance requirements**



### Food and Beverage

**Eliminate oil and rust while adding increased reliability**



### Lumber / Wood Processing

**Address demanding drives with high-load belt solutions**

## Growth Execution

### 1 CONVERT THE INSTALLED BASE

- Dedicated sales teams and distributors
- Digital selection, savings tools and purchasing

### 2 WIN OEM SPECIFICATIONS

- Early engagement in equipment design
- Application-specific belt-and-sprocket packages

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# A simpler path from chain to belt

Self-service tools connect drive selection with customer economics and purchasing



## 1 SELECT

Identify belt alternatives with the chain replacement tool

## 2 EVALUATE

Compare drive options and calculate Total Cost of Ownership

## 3 BUY

Simplify purchasing with Buy-it-Now functionality



Desktop and Mobile Access

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# KEY TAKEAWAYS | INDUSTRIAL CHAIN TO BELT



1. Chain to belt represents an estimated ~$4B system market opportunity for Gates
2. Product innovation improves cost competitiveness and expands application coverage
3. Digital tools simplify customer conversion
4. Growth execution targets new OEM specifications and installed-base conversions

**CHAIN TO BELT OPPORTUNITY EXPANDS GATES' ADDRESSABLE MARKET AND IS A SECULAR GROWTH DRIVER**

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# GATES & IB&T

JOHN F. THORNTON
OWNER AND CEO
RAPID INDUSTRIES/IB&T

## CONVEYOR BELT SOLUTIONS




# John F. Thornton

## Owner and CEO, Rapid Industries

World Leader In Conveyor Systems and Support

**What Is Rapid Industries:** Turnkey, Conveyance and Material Handling manufacturer supported by companies that add value with similar cultures of being solutions providers

**What Do We Provide:** Conveyance and Material Handling solutions through understanding customer needs, engineering innovative solutions, and leveraging our vertically integrated family of companies

**Solution Providers**

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# IB&T + GATES + CUSTOMER: ENGINEERED VALUE



Rapid acquired IB&T in 2020, a primary supplier to Rapid Industries of power transmission, motors, bearings and belting solutions. During Due Diligence phase, we learned that Gates fit our prerequisite of being a **solutions provider**

Industrial Belting & Transmission, Inc

- **Customer and application knowledge**
  - Decades of real-world field data and the customers' and industry specific performance requirements
- **Technical support with customer**
  - Direct collaboration with the end users, R&D and engineering teams

+

- **Engineering and manufacturing**
  - R&D supported with a century of manufacturing and engineering experience
- **Application-specific development**
  - A proprietary product tailored to the customer’s operating needs

**50,000+**
**Roller Chain Drives changed to Power Transmission Belts**

**~77,000**
**Power Transmission Belts Purchased**

**~6,000**
**Timing Sprockets Purchased**

Note: Sales data covers 2021 through October 2026

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# CO-ENGINEERED SOLUTION DELIVERS CUSTOMER VALUE



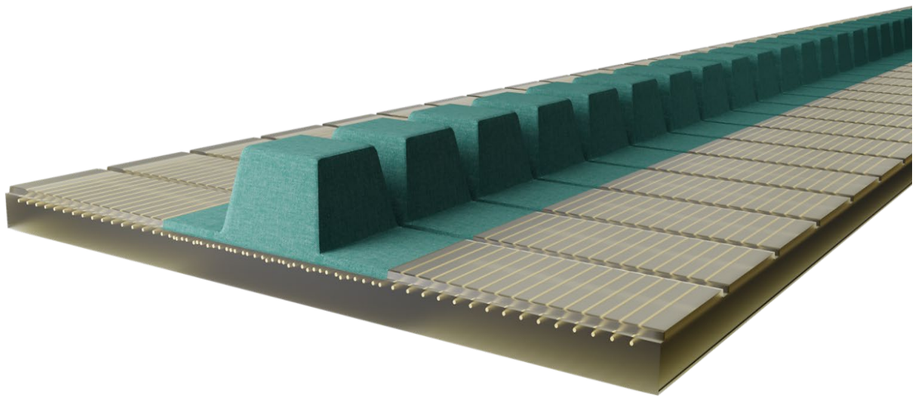
## JOINT DEVELOPMENT SECURED AN EXCLUSIVE POSITION IN CUSTOMER SPECIFICATIONS

### Proprietary Solution:

**Customer Challenges:** Competing products had **noise, durometer and service-life issues**, that created an opportunity for a tailored solution

**Process:** IB&T worked directly with the end user's R&D and engineering teams

**Solution:** **GATES LRB-77 CONVEYOR DRIVE BELT**



**Results:** The product exceeded expectations and earned an exclusive position in the customer's specifications

**25%**

**reduction in operating noise**

**Longer belt life**

**Improved Customer ROI**

**200–400%**

**more belt required year after year**

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# CHAIN TO BELT SOLUTION



## NEXT PROBLEM, NEXT SOLUTION: DRIVES ARE TOO LOUD, HIGH MAINTENANCE AND LOSE ENERGY

### Gates/IB&T Solution: Convert Roller Chain to Poly Chain

- IB&T – Identifies opportunity with customer having issues with decibel levels and maintenance issues
- Gates – Creates a product Poly Chain and Poly Sprockets, eliminating the “historical” chain drives system

### Metrics:

| Measure | Reported result |
|---|---|
| Noise reduction | 10–15 dBA demonstrated in one application |
| Energy efficiency | Up to 5% energy savings |
| Drive efficiency | 99% efficiency over the life of the drive |
| Maintenance | Eliminates routine lubrication and retensioning |
| Belt service life | Approximately 3X roller chain |
| Sprocket life | Up to 10X in a documented application |
| Drive weight | Up to 96% lighter in comparable designs |

### Services:

- IB&T – Works with customer to have “New” Spec created to use Poly Chain and sprockets
- IB&T – Works with customer stocks and distributes product

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## THE PARTNERSHIP NOW EXTENDS TO RAPID INDUSTRIES

### New equipment applications

Rapid and Gates are evaluating belt technologies for Rapid's own equipment

### Chain to belt opportunities

Power-belt solutions could replace traditional chain technology in selected applications



Replacement of drag chain conveyor to a multistrand belt application



Replacement of over head Rapid Flex conveyor drive from a chain to belt application

***SEVERAL OPPORTUNITIES ARE IN DEVELOPMENT***

**A DEMONSTRATED PARTNERSHIP CREATES OPPORTUNITIES FOR FUTURE APPLICATIONS**

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# CORPORATE INITIATIVES

**Brooks Mallard**
**Chief Financial Officer**

# KEY MESSAGES | CORPORATE INITIATIVES



1. AI should drive better analytical decisions and faster implementation of improvements

2. Supply chain and operational productivity is expected to support margin growth

3. We anticipate growth from Strategic Initiatives and the Industrial Upcycle to fuel solid incrementals and expanding margins

**SEVERAL TOOLS AVAILABLE TO SUPPORT OPERATING AND ASSET EFFICIENCIES**

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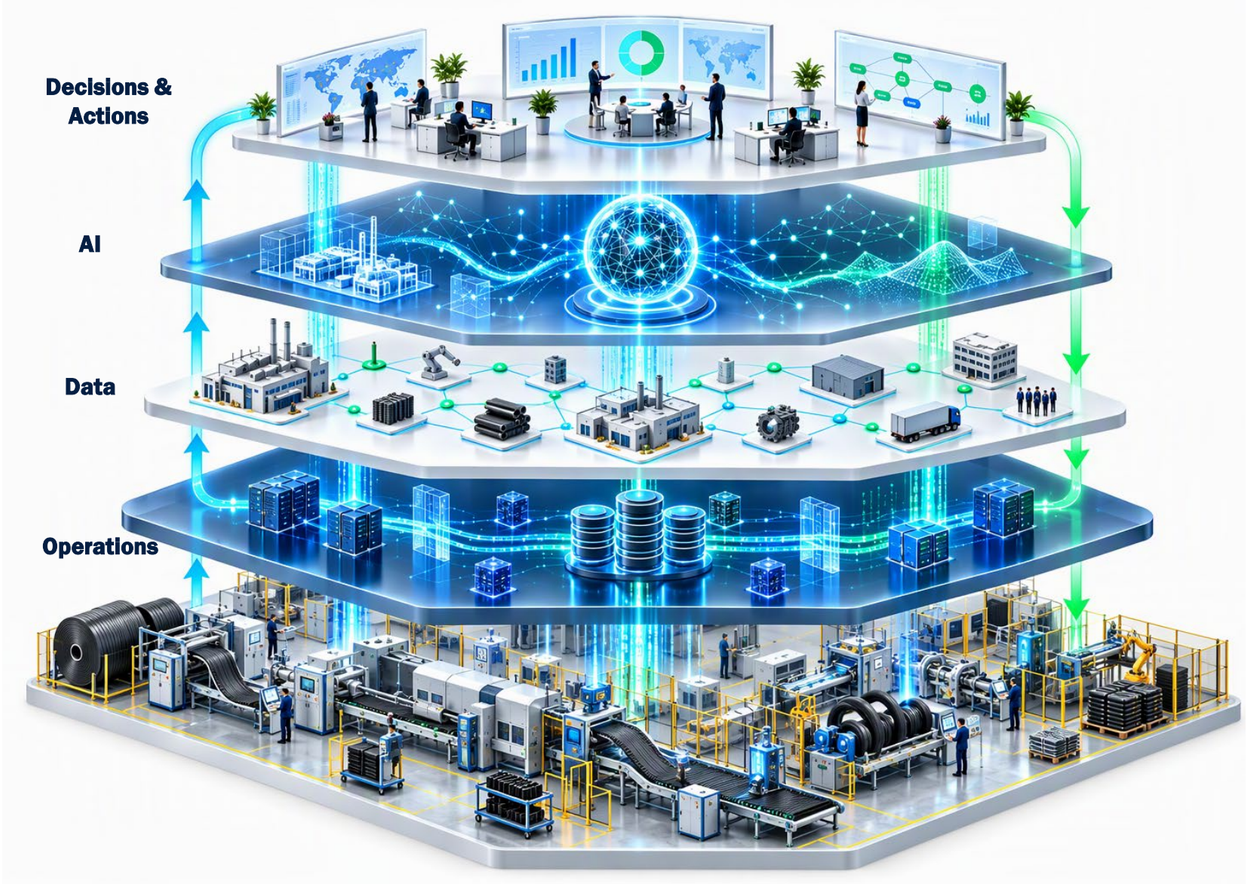
# GATES IS ACCELERATING A CONTROLLED DEPLOYMENT OF AI 84




Gates AI Connected Enterprise

## Empower the Workforce

**Extend AI capabilities across the enterprise with the AI Black Belt Program**

- Build AI literacy and adoption
- Increase individual productivity, eliminate manual tasks
- Improve access to enterprise knowledge

## Transform Critical Workflows

**Embed AI into high-value commercial and enterprise workflows**

- Accelerate quoting and engineering workflows
- Modernize legacy systems and interfaces
- Automate selected customer and enterprise processes

## Optimize Data Flows and Operating Decisions

**Improve planning, productivity and operational decision-making**

- Improve inventory management and service levels
- Optimize production planning and scheduling
- Accelerate critical data collection and root-cause analysis

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# SUPPLY CHAIN EXCELLENCE IMPROVES THROUGHPUT, CUSTOMER SERVICE, OPERATING WORKING CAPITAL AND PRODUCTIVITY

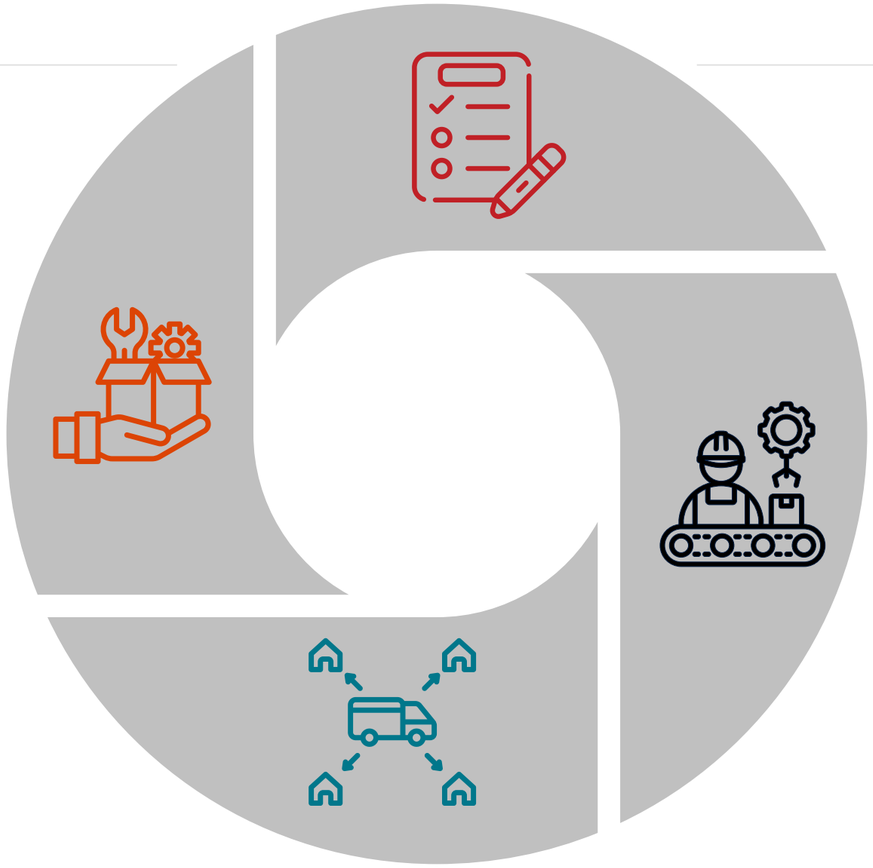


## Serve

- Anticipate customer needs
- Optimize ability to serve
- Increase customer responsiveness

## Plan

- Optimize incoming materials
- Increase schedule stability
- Align demand and production
- Improve scheduling communication



## Distribute

- Improve warehouse productivity
- Optimize shipments per order
- Reduce freight and handling costs

## Produce

- Optimize production schedules and uptime
- Improve labor and asset utilization
- Reduce scrap, improve yield and reduce costs

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# IMPROVE OPERATIONAL PRODUCTIVITY

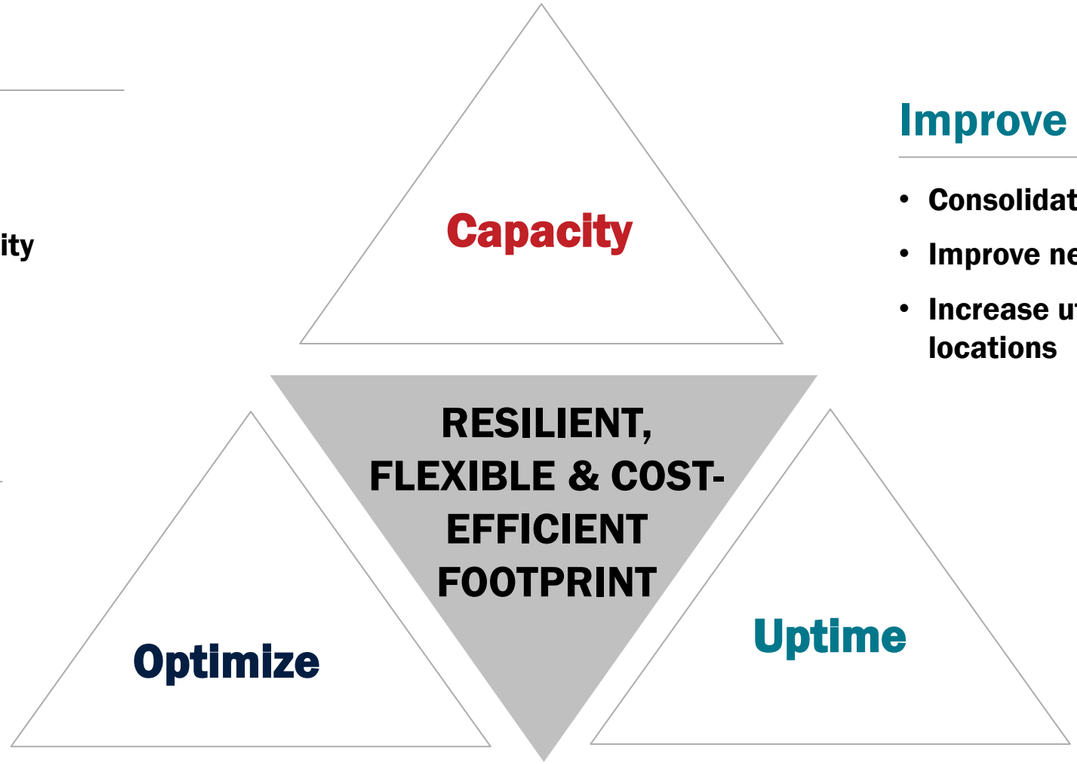


## Selective capacity additions

- Increase in-region sourcing and manufacturing
- Reduce cross-region supply dependencies
- Improve customer proximity and supply continuity

## Optimize throughput

- Improve labor and capacity flexibility
- Increase sourcing and supply optionality
- Respond more effectively to regional demand changes
- Product availability expands brand awareness




## Improve uptime productivity

- Consolidate selected activities and facilities
- Improve network and capacity utilization
- Increase utilization of regionally competitive locations

## EXPECTED OPERATING BENEFITS

- Lower freight and inventory
- Improved utilization
- Greater regional responsiveness
- Reduced supply-chain complexity

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# KEY TAKEAWAYS | CORPORATE INITIATIVES



1. AI should drive better analytical decisions and faster implementation of improvements

2. Supply chain and operational productivity is expected to support margin growth

3. We anticipate growth from Strategic Initiatives and the Industrial Upcycle to fuel solid incrementals and expanding margins

**SEVERAL TOOLS AVAILABLE TO SUPPORT OPERATING AND ASSET EFFICIENCIES**

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# 80/20 OVERVIEW

**Glen Parkes**
**Senior Director, 80/20 & Business Transformation**

# KEY MESSAGES | 80/20



1. Foundation of 80/20 is in place; now focused on global scale across all markets and channels
2. Use of self-serve tools and AI models supporting democratization of 80/20 to support scale
3. Building 80/20 team to accelerate scale and reach
4. Focus Areas: 1) Portfolio simplification, 2) Strategic pricing, 3) Operational execution, and 4) Top line growth

**NEXT PHASE OF 80/20 ANTICIPATED TO YIELD MATERIAL IMPROVEMENTS OVER THE MIDTERM**

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# 80/20 PROCESS



## 1 SEGMENT

Determine where value is created

- Identify A/B customers and SKUs
- Recognize profitability and cost-to-serve
- Define differentiated treatment

## 2 SIMPLIFY

Remove complexity that does not pay

- Optimize the product portfolio
- Align service to customer value
- Reduce portfolio cost-to-serve




## 4 GROW

Convert released capacity into growth

- Prioritize A customers and products
- Deploy target-selling opportunities
- Reinvest simplification benefits

## 3 RESOURCE

Shift capacity to the vital few

- Align resources to A/B segmentation
- Focus investment by portfolio size
- Create capacity for growth

**REPEAT • LEARN • SCALE**

**SEGMENT INSIGHT DRIVES SIMPLIFICATION. SIMPLIFICATION RELEASES CAPACITY. CAPACITY IS REDIRECTED TO FOCUSED GROWTH**

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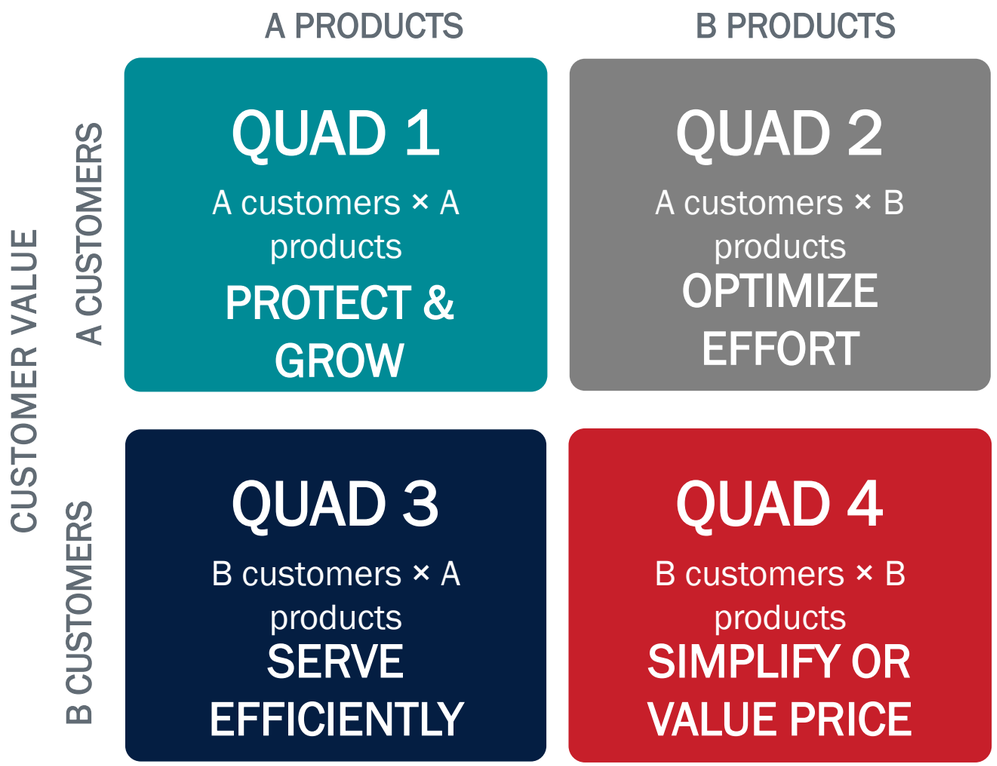
## CUSTOMER × PRODUCT SEGMENTATION




## DIFFERENTIATED STRATEGY BY QUADRANT

### 1 THE FORT — PROTECT & GROW

- Build close relationships
- Prioritize service and growth investment

### 2 NECESSARY EVIL — OPTIMIZE EFFORT

- Serve well to retain loyalty
- Simplify where possible

### 3 TRANSACTION ZONE — SERVE EFFICIENTLY

- Standardize the service model
- Develop selected B customers into A customers

### 4 PROBLEM AREA — SIMPLIFY OR VALUE PRICE

- Reduce cost-to-serve
- Exit where value cannot be created

**80/20 IS A PROVEN ENGINE FOR GROWTH**

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# THE GATES 80/20 JOURNEY



## 2022–2024 PROVE THE MODEL

### FOUNDATION

Regional simplification

- **Automotive Replacement**
  Initial business focus
- **Simplification**
  Reduce portfolio complexity
- **North America**
  Establish regional traction
- **EMEA**
  Extend the approach

## 2025–2026 STANDARDIZE AND ENABLE

### SCALE & BUILD

Global capability build

- **Build the culture**
  Brand identity, training, build the team
- **Portfolio simplification**
  Never ending drive for simplification
- **Operational focus**
  Never ending drive for optimization
- **Standard work**
  Codify tools and governance
- **Expert / Champion program**
  Scale internal capability
- **Target selling**
  Commercially focus on the A's

## 2027–2030 INSTITUTIONALIZE 80/20

### SCALE & EMBED

Enterprise operating system

- **Scale**
  Expand adoption and impact
- **AI self-service tools**
  Portfolio management and target selling
- **Segmented P&Ls**
  Increase product-line accountability
- **Resource and growth focus**
  Fund the highest-value opportunities
- **APAC expansion**
  Extend global reach

**GLOBALIZE AND SCALE TOOLS ACROSS ORGANIZATION**

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# 80/20 DRIVING RESULTS

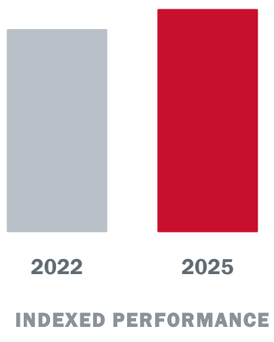


## 1 REVENUE PER SKU

PORTFOLIO PRODUCTIVITY

**+10%**

IMPROVEMENT



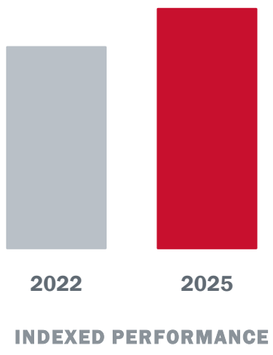

**Higher revenue concentration across the active SKU portfolio**

## 2 REVENUE PER UNIT SHIPPED

COMMERCIAL VALUE REALIZATION

**+19%**

IMPROVEMENT



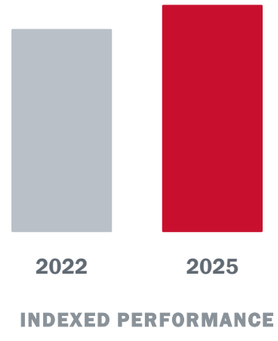

**Stronger value captured from every unit shipped**

## 3 REVENUE PER EMPLOYEE

WORKFORCE PRODUCTIVITY

**+12%**

IMPROVEMENT




**More revenue generated per employee across the enterprise**

**80/20 AI TOOLS WILL ACCELERATE BENEFITS**

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# KEY TAKEAWAYS | 80/20



1. Foundation of 80/20 is in place; now focused on global scale across all markets/channels
2. Use of self-serve tools and AI models supporting democratization of 80/20 to support scale
3. Building 80/20 team to accelerate scale and reach
4. Focus Areas: 1) Portfolio simplification, 2) Strategic pricing, 3) Operational execution, and 4) Top line growth

**NEXT PHASE OF 80/20 ANTICIPATED TO YIELD MATERIAL IMPROVEMENTS OVER THE MIDTERM**

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# FINANCIAL OUTLOOK

**Brooks Mallard**
**Chief Financial Officer**

# KEY MESSAGES | FINANCIAL



1. Targeted investments drive strategic initiatives

2. Above market growth, and solid incrementals to drive margin improvement

3. Operating working capital optimization drives improved free cash flow generation

4. Strong cash generation and a robust balance sheet provide capital deployment flexibility including strategic M&A

**WELL POSITIONED TO DRIVE GROWTH AND PROFITABILITY OVER THE MIDTERM**

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# 2026E KEY FINANCIAL METRICS



## KEY METRICS

| $3.6B | 22.6% | 11% | 90%+ | ~24% |
|---|---|---|---|---|
| Revenues | Adj. EBITDA Margin | Adj. EPS Growth | FCF Conversion | ROIC |

- **On track to exceed initial core sales growth guidance for the year**
- **Forecasted to exit year at ~23.5% adjusted EBITDA margin rate**
- **Net leverage ratio anticipated to decline 0.4x YoY to ~1.5x**




**IN STRONG FINANCIAL POSITION TO CAPITALIZE ON THE INDUSTRIAL UPCYCLE**

Notes: Adjusted Earnings Per Share: Adjusted Net Income per diluted share; Adjusted EBITDA Margin: Adjusted EBITDA expressed as a percentage of sales; Free Cash Flow Conversion: LTM Free Cash Flow (Net Cash Provided by Operations minus capital expenditures) expressed as a percentage of LTM Adjusted Net Income; ROIC: Tax-effected LTM Adjusted EBIT divided by total assets minus cash, accounts payable, income tax-related assets and intangibles related to 2014 acquisition of Gates

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# NITTA TRANSACTION – DETAILS



## Gates will take full ownership of its APAC Power Transmission business, excluding Japan

- Enhances strategic flexibility in APAC region
- Improves end market diversity
- Reinforces long term commitment towards growing PT in APAC
- More efficient use of JV cash

## Estimated annualized impacts

- $0.02 EPS accretive
- Gates will pay Nitta approximately $40M in dividends and approximately $110M, net, for equity interests
- Net sales decrease of ~$88M - $108M
- Adjusted EBITDA decrease of ~$26 - $32M

**EXPECTED TO BE EPS ACCRETIVE AND INCREASE STRATEGIC FLEXIBILITY IN APAC; ESTIMATED TO CLOSE IN Q1 2027**

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# TRACK RECORD FOR CAPITAL DEPLOYMENT AND RETURNS



## 2022-2026E




**Share Repurchases**
~54M Shares
~$820M (~$15/share)

**CAPEX**
~$500M Invested

**Net Leverage Ratio**
2.8x to ~1.5x
(~$260M Debt Reduction)

**ROIC**
20.0 % to ~24.0%

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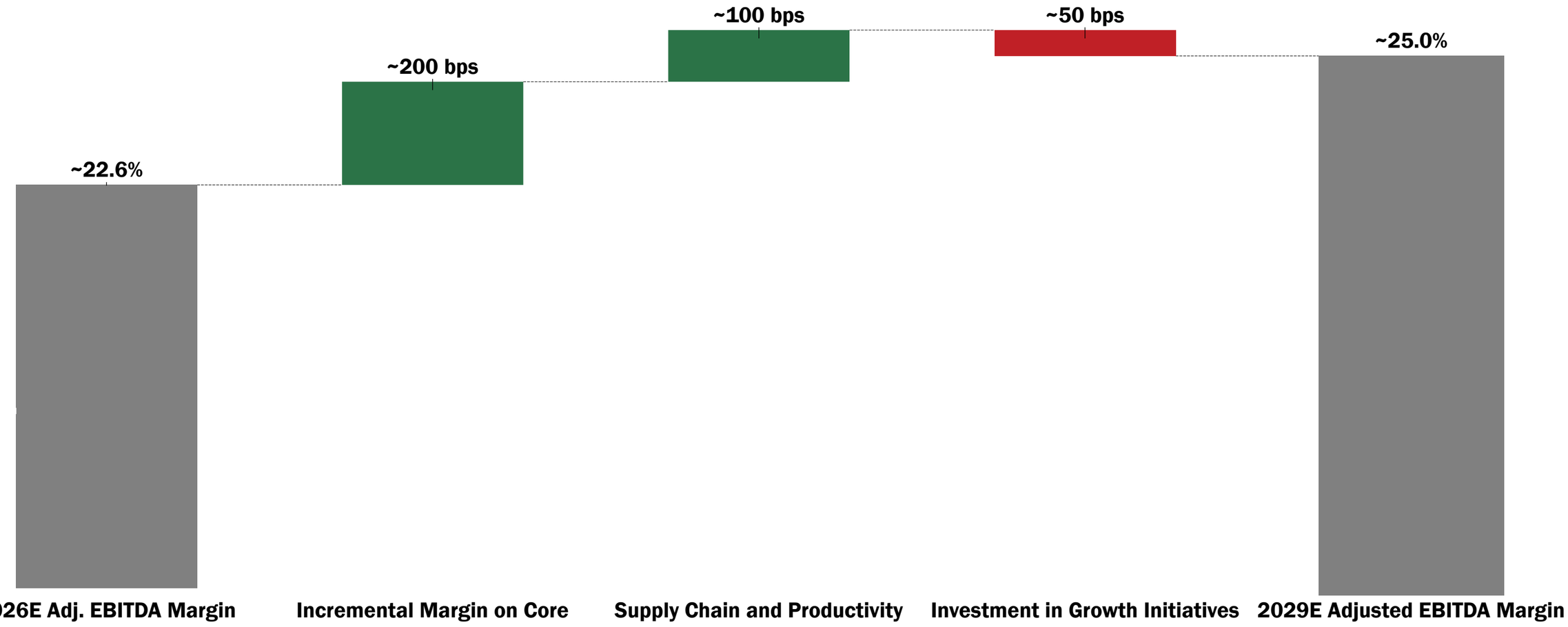
# MARGIN WALK TO 2029



($ million)

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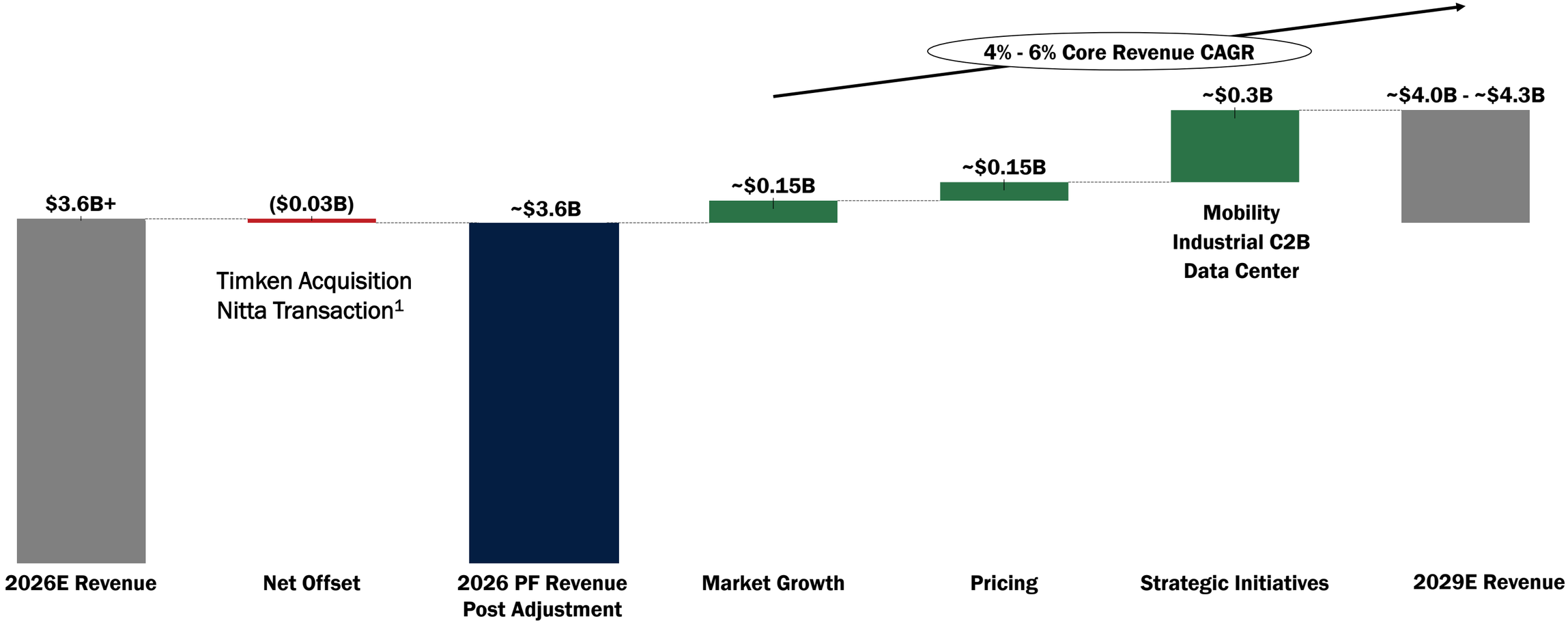
# PRO FORMA REVENUE WALK: 5% CORE GROWTH MIDPOINT



($ million)




(1) Completion of the Nitta transaction is subject to customary closing conditions, and it may not be completed on the expected timeline or at all. Estimated financial effects of the Nitta transaction and of the acquired Timken belts business are based on preliminary management estimates. They have not been audited or reviewed and were not prepared under Article 11 of Regulation S-X. “Pro forma” figures presented in this presentation are illustrative only. They do not necessarily show what results would have been had the transactions happened on the dates assumed, and they are not a forecast of future results.

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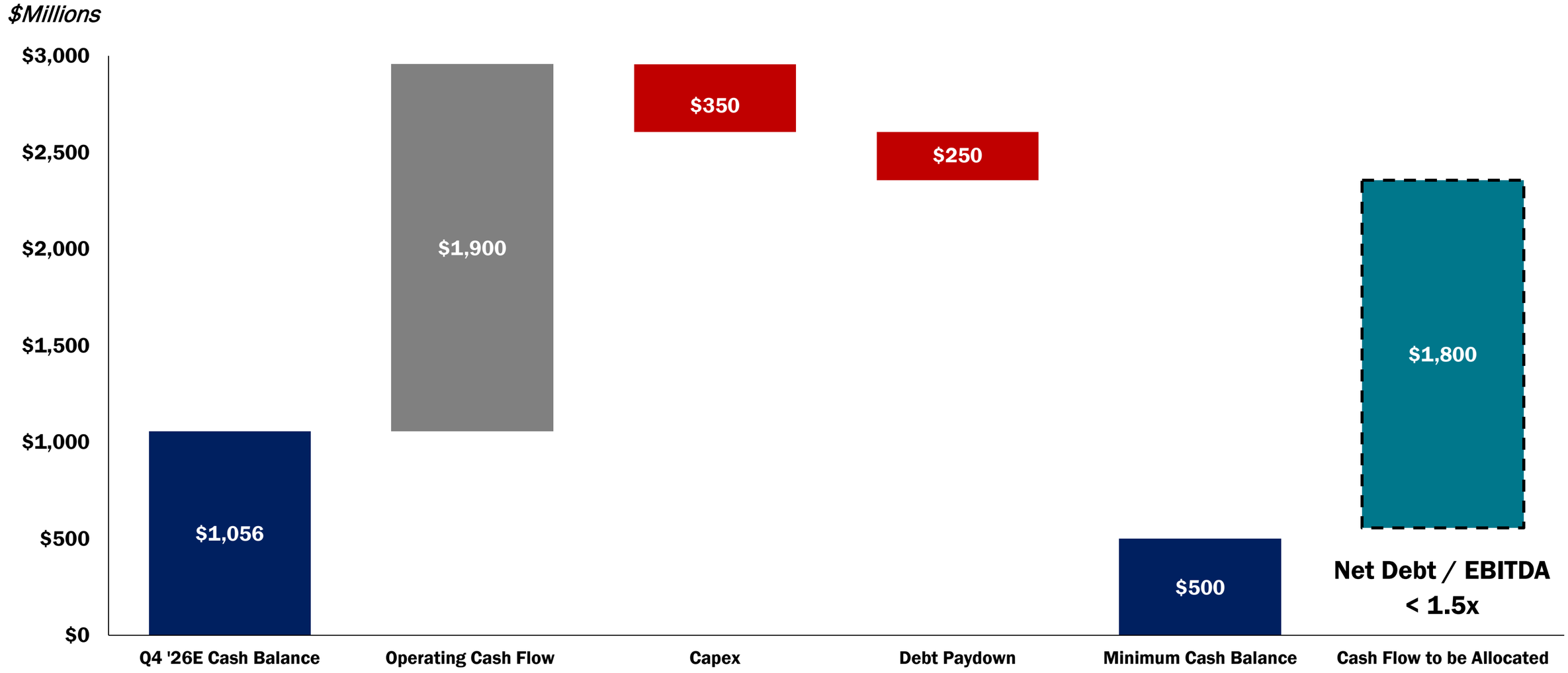
# 2026 – 2029 CAPITAL ALLOCATION






**STRONG BALANCE SHEET, ROBUST CASH GENERATION & INCREMENTAL CAPACITY TO FUND GROWTH, INCLUDING STRATEGIC M&A**

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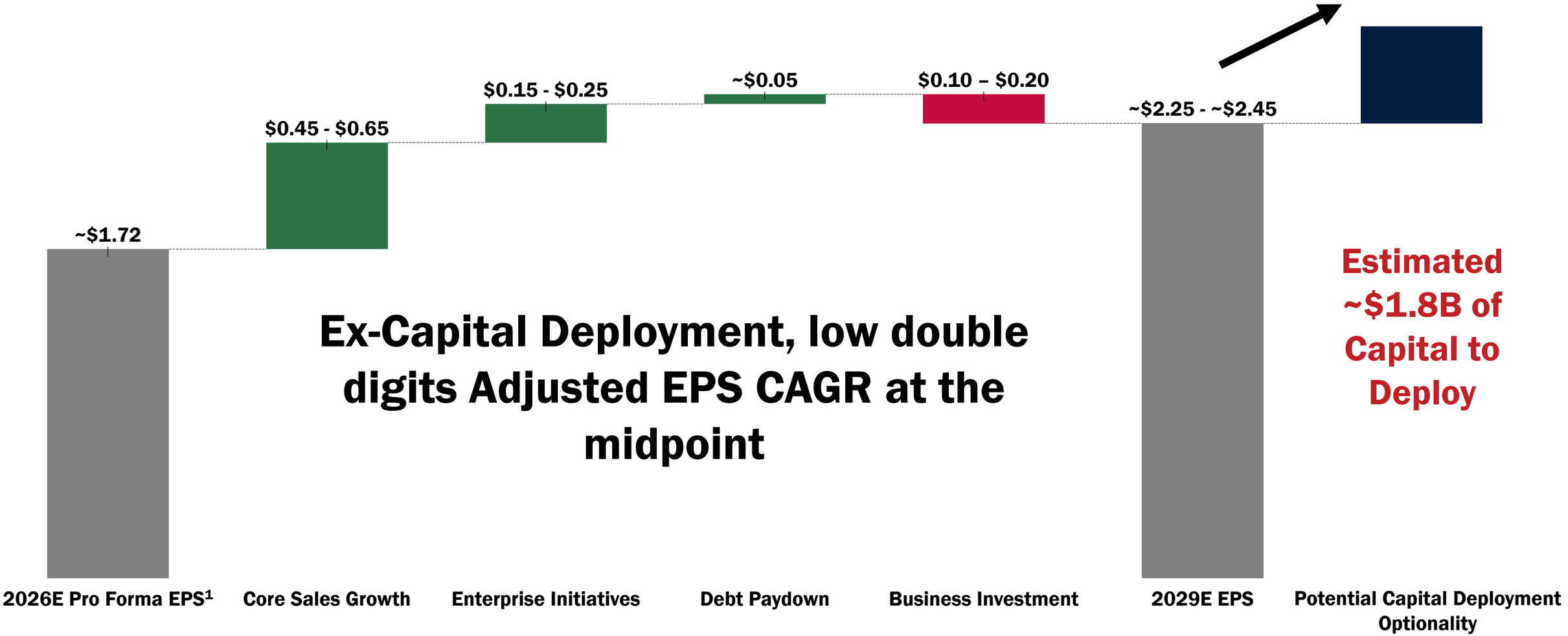
# ADJUSTED EPS WALK TO 2029






**Ex-Capital Deployment, low double digits Adjusted EPS CAGR at the midpoint**

**Estimated ~$1.8B of Capital to Deploy**

(1) Includes expected impact of the Timken acquisition and Nitta transaction. Completion of the Nitta transaction is subject to customary closing conditions, and it may not be completed on the expected timeline or at all. Estimated financial effects of the Nitta transaction and of the acquired Timken belts business are based on preliminary management estimates. They have not been audited or reviewed and were not prepared under Article 11 of Regulation S-X. “Pro forma” figures presented in this presentation are illustrative only. They do not necessarily show what results would have been had the transactions happened on the dates assumed, and they are not a forecast of future results.

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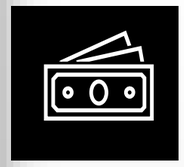
# 2029 TARGETS



| | 2029 TARGETS |
|---|---|
| Core Sales Growth | 4% to 6% CAGR |
| Adj. EBITDA Margin | 24.0% to 26.0% |
| Adj. EPS | $2.25 to $2.45 |
| Free Cash Flow Conversion | ~100% Conversion |
| ROIC | Mid-20s |

## Preliminary 2027 Guidance



**REVENUES**

**MSD Core Growth**

*Plus ~$50M from Timken Belts Acquisition*

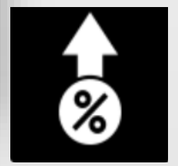


**INCREMENTALS**

**Core Incrementals ~50%**

**Overall Incrementals Low 40%**

*Includes Timken Acquisition Margin Dilution*



**MARGINS**

**23.8% Adj. EBITDA Margin**

*Includes ~20bps dilution from Timken Acquisition*

Note: The 2029 targets and other mid-term objectives in this presentation are not guidance or projections of future results. They reflect assumptions about market conditions, pricing, foreign exchange rates, cost inflation, capital deployment and execution of strategic initiatives, many of which are outside Gates' control. Except where noted, the targets assume no acquisitions or share repurchases beyond those described.

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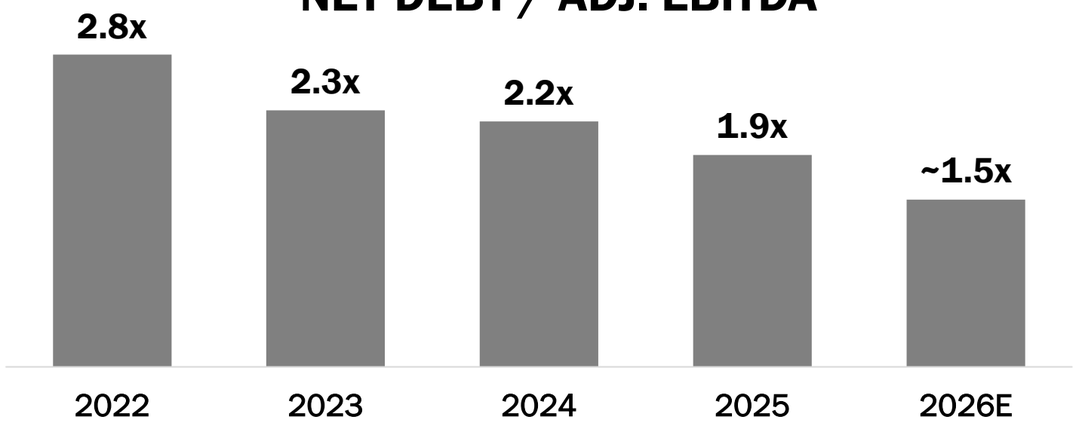
# BALANCE SHEET CONTINUES TO IMPROVE



## NET DEBT / ADJ. EBITDA




## CAPITAL STRUCTURE[1] (AS OF 09/26/2026)

| FACILITY | RATE | MATURITY | BALANCE |
|---|---|---|---|
| USD Term Loan | S+175 | Jun 2031 | $1,277M |
| Bonds | 6.88% | Jul 2029 | $500M |
| USD Term Loan | S+175 | Nov 2029 | $454M |
| $500M Revolver | S+175 | Jun 2029 | Undrawn |

Approximately 2/3 of debt is synthetically fixed

## CAPITAL POSITION (AS OF 09/26/2026)

| KEY METRICS | |
|---|---|
| Gross Debt | $2,231M |
| Less: Cash | $831M |
| Net Debt | $1,400M |
| Gross Debt/Adj. EBITDA | 2.8x |
| Net Debt/Adj. EBITDA | 1.8x |

## CREDIT RATINGS

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

[1] See SEC filings for additional details regarding the material terms of our debt.

**BALANCE SHEET NOW A STRATEGIC ENABLER; MULTIPLE RATINGS UPGRADES ACHIEVED**

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# KEY TAKEAWAYS | FINANCIAL



1. Targeted investments drive strategic initiatives

2. Above market growth, and solid incrementals to drive margin improvement

3. Operating working capital optimization drives improved free cash flow generation

4. Strong cash generation and a robust balance sheet provide capital deployment flexibility including strategic M&A

**WELL POSITIONED TO DRIVE GROWTH AND PROFITABILITY OVER THE MIDTERM**

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# RECAP

**IVO JUREK**
**Chief Executive Officer**

# A STRONGER GATES, POSITIONED FOR SUSTAINABLE GROWTH



## Enhanced Financial Profile (2026E)

**22.6%**
**Adjusted EBITDA Margin**
+350 bps vs 2022

**~24%**
**ROIC**
+400 bps vs 2022

**~1.5x**
**Net Leverage Ratio**
-1.3x vs 2022

**90%+**
**FCF Conversion**
2026E

## Key Targets (2026-2029)



24%-26% Adjusted EBITDA Margin



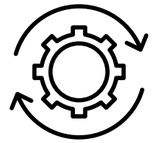
MSD Core Growth



Strategic capital deployment



Double Digit EPS Growth

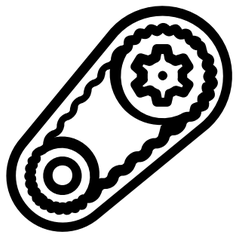


35% - 40% Normalized Adjusted EBITDA Incremental Margin

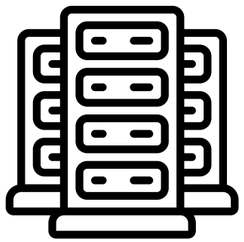
## Growth Opportunities



**Mobility**
Accelerating Market Penetration



**Industrial C2B**
Broadening Market Exposure



**Data Centers**
Scaling a new growth platform

**STRONGER GROWTH PROFILE AND STRATEGIC OPTIONALITY ANTICIPATED TO DELIVER ATTRACTIVE EPS GROWTH THROUGH 2029**

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# Q&A


Gates

# RECONCILIATIONS – ADJUSTED NET INCOME



| *(USD in millions, except share numbers and per share amounts)* | | FY 2022 |
|---|---|---|
| **Reconciliation to Adjusted Net Income** | | |
| **Net Income Attributable to Shareholders** | **$** | **220.8** |
| *Adjusted for:* | | |
| Loss on the disposal of discontinued operations | | 0.4 |
| Amortization of intangible assets arising from the 2014 acquisition of Gates | | 115.6 |
| Transaction-related expenses [(1)] | | 2.1 |
| Asset impairments | | 1.1 |
| Restructuring expenses | | 9.5 |
| Restructuring related expenses (included in cost of sales) | | 0.8 |
| Restructuring related expenses (included in SG&A) | | 0.5 |
| Share-based compensation expense | | 44.3 |
| Inventory adjustments [(2)] (included in cost of sales) | | 20.9 |
| Adjustments relating to post-retirement benefits | | (6.5) |
| Financing and other FX related (gains) losses | | (7.9) |
| Discrete tax items [(3)] | | (41.1) |
| Other adjustments | | (7.5) |
| Estimated tax effect of the above adjustments | | (38.7) |
| **Adjusted Net Income** | **$** | **314.3** |
| Diluted weighted average number of shares outstanding | | 287,586,210 |
| **GAAP Net Income per diluted share** | **$** | **0.77** |
| **Adjusted Net Income per diluted share** | **$** | **1.09** |

(1) 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.

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

(3) 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 – ADJUSTED EBITDA & NET LEVERAGE



*(USD in millions)*

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | LTM Q3 2026 |
|---|---|---|---|---|---|
| **Reconciliation to Adjusted EBITDA** | | | | | |
| **Net Income from Continuing Operations** | **$ 242.9** | **$ 257.0** | **$ 220.5** | **$ 277.1** | **$ 392.6** |
| *Adjusted for:* | | | | | |
| Income tax expense (benefit) | 14.9 | 28.3 | 107.5 | 63.1 | (34.8) |
| Interest expense | 139.4 | 163.2 | 155.8 | 125.9 | 123.0 |
| Other (income) expenses, excluding foreign currency transaction gain or loss and insurance recoveries [1] | (13.2) | 14.1 | (17.8) | 4.0 | (10.6) |
| Loss on deconsolidation of Russian subsidiary [2] | - | - | 12.7 | - | - |
| Depreciation and amortization | 217.2 | 217.5 | 216.9 | 213.8 | 223.9 |
| Transaction-related expenses [3] | 2.1 | 2.2 | 3.3 | 0.5 | 7.6 |
| Asset impairments | 1.1 | 0.1 | - | 3.5 | 2.3 |
| Restructuring expenses | 9.5 | 11.6 | 6.5 | 26.3 | 7.2 |
| Share-based compensation expense | 44.3 | 27.4 | 28.8 | 27.2 | 29.1 |
| Inventory adjustments [4] (included in cost of sales) | 20.9 | 7.4 | 22.3 | 15.6 | 19.4 |
| Restructuring related expenses (included in cost of sales) | 0.8 | 0.4 | 1.8 | 6.9 | 14.4 |
| Restructuring related expenses (included in SG&A) | 0.5 | 1.0 | 2.9 | 11.4 | 17.9 |
| Credit loss (gain) related to customer bankruptcy (included in SG&A)[5] | - | 11.4 | (0.1) | - | - |
| Cybersecurity incident insurance recovery [6] | - | 5.2 | - | (5.2) | - |
| Other items not directly related to current operations | 0.2 | 0.2 | - | - | - |
| **Adjusted EBITDA** | **$ 680.6** | **$ 747.0** | **$ 761.1** | **$ 770.1** | **$ 792.0** |
| **Adjusted EBITDA margin** | | | | | |
| Net Sales | $ 3,554.2 | $ 3,570.2 | $ 3,408.2 | $ 3,443.2 | $ 3,552.5 |
| Adjusted EBITDA | $ 680.6 | $ 747.0 | $ 761.1 | $ 770.1 | $ 792.0 |
| **Adjusted EBITDA margin** | **19.1%** | **20.9%** | **22.3%** | **22.4%** | **22.3%** |
| **Reconciliation to Net Leverage** | | | | | |
| Total principal amount of debt | $ 2,491.4 | $ 2,471.9 | $ 2,363.5 | $ 2,240.1 | $ 2,230.7 |
| Less: Cash and cash equivalents | (578.4) | (720.6) | (682.0) | (812.1) | (830.8) |
| **Net Debt** | **$ 1,913.0** | **$ 1,751.3** | **$ 1,681.5** | **$ 1,428.0** | **$ 1,399.9** |
| **Gross Leverage (Gross Debt divided by LTM Adjusted EBITDA** | **3.7 x** | **3.3 x** | **3.1 x** | **2.9 x** | **2.8 x** |
| **Net Leverage (Net Debt divided by LTM Adjusted EBITDA)** | **2.8 x** | **2.3 x** | **2.2 x** | **1.9 x** | **1.8 x** |

(1) Other (income) expenses excludes foreign currency transaction gains and 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 transactions.

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

(5) On January 31, 2023, one of our customers filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In connection with the bankruptcy proceedings, we preliminarily evaluated our potential risk and exposure relating to our outstanding pre-petition accounts receivable balance from the customer and recorded the pretax charge to reflect our estimated recovery.

(6) 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 – ROIC



| *(USD in millions)* | | FY 2022 |
|---|---|---|
| **Return On Invested Capital (ROIC)** | | |
| **LTM Adjusted EBITDA** | **$** | **680.6** |
| LTM Total depreciation and amortization | | (217.2) |
| LTM Amortization of intangible assets arising from the 2014 acquisition of Gates | | 115.6 |
| **LTM Adjusted EBIT** | | **579.0** |
| Notional tax at 25% | | (144.8) |
| **LTM Tax-effected Adjusted EBIT** | **$** | **434.2** |
| | | |
| Total Assets | $ | 7,191.6 |
| *Adjusted for:* | | |
| Cash | | (578.4) |
| Taxes receivable | | (28.1) |
| Deferred tax assets | | (600.3) |
| Prepaid taxes | | (11.4) |
| Accounts payable | | (469.6) |
| Intangibles arising from the acquisition of Gates | | (3,335.1) |
| **Invested Capital** | **$** | **2,168.7** |
| | | |
| **Return On Invested Capital** | | **20.0%** |

# RECONCILIATIONS – AUTO AFTERMARKET CORE SALES



| *(USD in millions)* | FY 2011 | FY 2021 | FY 2025 |
|---|---|---|---|
| **Reconciliation of Automotive Aftermarket Core Sales** | | | |
| **Net sales for the fiscal year ended** | **$ 934.9** | **$ 1,169.0** | **$ 1,320.4** |
| Impact on net sales of movements in currency rates | (23.3) | (18.9) | (9.3) |
| **Core sales for the fiscal year ended** | **$ 911.6** | **$ 1,150.1** | **$ 1,311.1** |