

Discussion of Non-GAAP Measures

Non-GAAP EBITDA is calculated using net income that excludes interest expense (net), provision for income taxes, depreciation expense and amortization expense. Non-GAAP Adjusted EBITDA and non-GAAP Further Adjusted Pro Forma EBITDA is calculated using net income that excludes interest expense (net), provision for income taxes, depreciation expense, amortization expense, acquisition related costs, restructuring costs and other income or charges that management does not consider to be directly related to Altra's core operating performance. Non-GAAP free cash flow is calculated by deducting purchases of property, plant and equipment net cash provided by operating activities. Altra believes that the presentation of non-GAAP EBITDA, non-GAAP Adjusted EBITDA, non-GAAP Further Adjusted Pro Forma EBITDA and non-GAAP free cash flow provides important supplemental information to management and investors regarding financial and business trends relating to Altra's financial condition and results of operations.

Non-GAAP Adjusted EBITDA Reconciliation

EBITDA Reconciliation (amounts in millions)

| | <u>Q1 2019</u> | <u>Q2 2019</u> | <u>Q3 2019</u> | <u>Q4 2019</u> | <u>LTM</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Net Income | \$35.2 | \$29.0 | \$25.7 | \$37.3 | \$127.2 |
| Asset Impairment and Other, Net | 1.3 | (0.3) | (1.3) | 0.4 | 0.1 |
| Taxes | 10.3 | 9.1 | 5.0 | (3.4) | 21.0 |
| Interest Expense, net | 19.8 | 18.6 | 18.2 | 17.2 | 73.8 |
| Depreciation Expense | 14.3 | 14.6 | 14.6 | 14.5 | 58.0 |
| Amortization Expense | 17.8 | 17.6 | 17.5 | 17.5 | 70.4 |
| Acquisition related expenses | 0.5 | 0.2 | - | - | 0.7 |
| Stock Compensation Expense | 3.5 | 3.5 | 3.1 | 3.5 | 13.6 |
| Restructuring costs | 2.3 | 3.2 | 6.2 | 2.4 | 14.1 |
| Non-GAAP Adjusted EBITDA | <u>\$105.0</u> | <u>\$95.5</u> | <u>\$89.0</u> | <u>\$89.4</u> | <u>\$378.9</u> |
| <i>Non-GAAP Adjusted EBITDA Margin</i> | <i>21.7%</i> | <i>20.5%</i> | <i>20.1%</i> | <i>20.2%</i> | <i>20.7%</i> |

Net Income to Adjusted EBITDA | (US\$ in millions)

| Altra Net Income to Adjusted EBITDA (US\$ in millions) | Year Ended December 31, 2017 |
|---|---------------------------------|
| Net Income | \$ 51.4 |
| Interest Expense, Net | 7.7 |
| Provision for Income Taxes | 19.7 |
| Depreciation Expense | 26.5 |
| Amortization Expense | 9.5 |
| EBITDA | \$ 114.8 |
| Asset Impairment and Other, Net | 1.1 |
| Loss on Write-off of Deferred Financing and Extinguishment of Convertible Debt | 1.8 |
| Acquisition Related Expenses | 2.2 |
| Loss on Partial Settlement of Pension Plans | 1.7 |
| Amortization of Inventory Fair Value Adjustment | 2.3 |
| Stock Compensation Expense | 5.3 |
| Supplier Warranty Settlement | - |
| Restructuring and Consolidation Expense | 4.1 |
| Warranty Provision Related to Svendborg Acquisition | - |
| Legal Fees Associated with Pursuit of Unfair Trade Remedy | - |
| Adjusted EBITDA | \$ 133.3 |

| Fortive A&S Net Income to Adjusted EBITDA (US \$ millions) | Year Ended December 31, 2017 |
|---|---------------------------------|
| Net Earnings | \$ 151.7 |
| Interest Expense, Net | 0.5 |
| Provision/(Benefit) for Income Taxes | 41.0 |
| Depreciation and Amortization Expenses | 15.8 |
| EBITDA | \$ 209.0 |
| Stock Compensation Expense | 4.4 |
| Corporate Allocations | 17.4 |
| Additional Operational Costs to Altra | (2.5) |
| Adjusted EBITDA | \$ 228.3 |



Reconciliation to Further Adjusted Pro Forma EBITDA and Free Cash Flow | (US\$ in millions)

| | Year Ended December 31, |
|--|-------------------------|
| Reconciliation to Further Adjusted Pro Forma EBITDA | |
| | 2017 |
| Net Income | \$ 78.8 |
| Interest Expense, Net | 91.8 |
| Provision for Income Taxes | 23.5 |
| Depreciation Amortization Expenses | 120.3 |
| Pro Forma EBITDA | \$ 314.4 |
| Asset Impairment and Other, Net | 1.1 |
| Loss on Write-off of Deferred Financing and Extinguishment of Convertible Debt | 1.8 |
| Acquisition Related Expenses | 2.2 |
| Loss on Partial Settlement of Pension Plans | 1.7 |
| Amortization of Inventory Fair Value Adjustment | 11.2 |
| Stock Compensation Expense | 10.2 |
| Supplier Warranty Settlement | 0.0 |
| Restructuring and Consolidation Expense | 4.1 |
| Corporate Allocations | 17.4 |
| Additional Operational Costs | (2.5) |
| Adjusted Pro Forma EBITDA | \$ 361.6 |
| Expected Cost Savings | |
| Further Adjusted Pro Forma EBITDA | |
| | Year Ended December 31, |
| | 2017 |
| Reconciliation to Free Cash Flow | |
| Altra Net cash provided by operating activities | \$ 80.6 |
| Altra Purchase of property, plant and equipment | (32.8) |
| Altra Free Cash Flow | 47.8 |
| Fortive A&S Net cash provided by operating activities | 171.5 |
| Fortive A&S Purchase of property, plant and equipment | (25.0) |
| Fortive A&S Free Cash Flow | 146.5 |
| Pro Forma Free Cash Flow | \$ 194.3 |