

*Discussion of Non-GAAP Measures

•The non-GAAP financial measures used in this release are utilized by management in comparing our operating performance on a consistent basis. We believe that these financial measures are appropriate to enhance the overall understanding of our underlying operating performance trends compared to historical and prospective periods and our peers. We believe that these measures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations as well as insight into the compliance with our debt covenants. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of non-GAAP financial measures presented above to our GAAP results has been provided in the financial tables included in this press release.

•*Organic Sales*

•Organic sales in this release excludes the impact of foreign currency translation.

•*Non-GAAP Net Income, Non-GAAP Income From Operations, Non-GAAP Diluted Earnings Per Share, Non-GAAP Operating Income Margin, and Non-GAAP Diluted EPS Guidance*

•Non-GAAP Net Income, Non-GAAP Income From Operations, Non-GAAP Diluted Earnings Per Share, and Non-GAAP Diluted Earnings Per Share Guidance exclude acquisition related amortization expense, acquisition related expense, impairment of goodwill and intangible asset, acquisition related stock compensation expense, restructuring and consolidation costs, non-cash amortization of interest rate swap expense and other income or charges that management does not consider to be directly related to the Company's core operating performance. Non-GAAP Diluted Earnings Per Share is calculated by dividing Non-GAAP Net Income by GAAP weighted average shares outstanding (diluted). Non-GAAP Operating Income Margin is calculated by dividing Non-GAAP Income From Operations by GAAP Net Sales.

•*Non-GAAP Adjusted EBITDA*

•Adjusted EBITDA represents earnings before interest, taxes, depreciation, acquisition related amortization, acquisition related costs, restructuring costs, stock-based compensation, asset impairment and other income or charges that management does not consider to be directly related to the Company's core operating performance.

•*Non-GAAP Adjusted EBITDA Margin*

•Non-GAAP Adjusted EBITDA margin is calculated by dividing Non-GAAP Adjusted EBITDA by GAAP Net Sales.

•*Non-GAAP Free Cash Flow*

•Non-GAAP Free Cash Flow is calculated by deducting purchases of property, plant and equipment from net cash flows from operating activities.

•*Non-GAAP Adjusted Free Cash Flow*

•Non-GAAP Adjusted Free Cash Flow is calculated by adding back the payment for the interest rate swap settlement to Non-GAAP Free Cash Flow.

•*Non-GAAP Operating Working Capital*

•Non-GAAP Operating Working Capital is calculated by deducting accounts payable from net trade receivables plus inventories.

•*Net Debt*

•Net Debt is calculated by subtracting cash from total debt.

Appendix

Non-GAAP Measures *

Reconciliation of Non-GAAP Net Income (amounts in millions)

	<u>Q4 2020</u>		<u>Q4 2019</u>
Net income	\$ 31.2		\$ 37.3
Restructuring and consolidation costs	1.9		2.4
Acquisition related stock compensation expense	0.4		0.6
Acquisition related amortization expense	17.5		17.5
Non-cash amortization of interest rate swap expense	3.4		-
Tax impact of above adjustments	(4.8)	(1)	(4.6)
Non-cash deferred tax benefit due to income tax rate change in India	-		(10.5)
Non-GAAP net income *	<u>49.6</u>		<u>42.7</u>
Non-GAAP diluted earnings per share *	<u>\$ 0.76</u>		<u>\$ 0.66</u>

(1) tax impact is calculated by multiplying the estimated effective tax rate, 20.7% by the above items

(2) tax impact is calculated by multiplying the estimated effective tax rate, 22.6% by the above items

Reconciliation of Non-GAAP Operating Working Capital (amounts in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>
Accounts Receivable	\$240.8	\$243.2
Inventories	210.4	222.5
Accounts Payable	<u>(163.6)</u>	<u>(154.7)</u>
Non-GAAP Operating Working Capital	<u>\$287.6</u>	<u>\$311.0</u>

Reconciliation of Non-GAAP Income from operations (amounts in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>
Income from operations	\$ 58.0	\$ 52.1
Restructuring costs	1.9	2.4
Acquisition related stock compensation expense	0.4	0.6
Acquisition related amortization expense	17.5	17.5
Non-GAAP income from operations *	<u>\$ 77.8</u>	<u>\$ 72.6</u>

Reconciliation of Net Debt (amounts in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>
Total Debt	\$1,443.2	\$1,604.0
Cash	<u>(254.4)</u>	<u>(167.3)</u>
Net Debt	<u>\$1,188.8</u>	<u>\$1,436.7</u>

Reconciliation of Non-GAAP Free Cash Flow and Non-GAAP Adjusted Free Cash Flow (amounts in millions)

	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>YTD 2020</u>	<u>YTD 2019</u>
Operating Cash Flow	\$100.7	\$75.5	\$262.5	\$255.9
Less Capex	<u>(9.4)</u>	<u>(14.8)</u>	<u>(33.7)</u>	<u>(51.7)</u>
Non-GAAP Free Cash Flow	91.3	60.7	228.8	204.2
Payment for interest rate swap settlement	-	-	34.7	-
Non-GAAP Adjusted Free Cash Flow	<u>\$91.3</u>	<u>\$60.7</u>	<u>\$263.5</u>	<u>\$204.2</u>

Appendix

Non-GAAP Measures *

Reconciliation of Non-GAAP Income from operations by Segment (amounts in millions)

	Quarter ended December 31, 2020			
	Power Transmission Technologies	Automation and Specialty	Corporate	Total
Income/(loss) from operations	\$ 23.0	\$ 37.2	\$ (2.2)	\$ 58.0
Restructuring costs	1.5	0.4	-	1.9
Acquisition related stock compensation expense	-	-	0.4	0.4
Acquisition related amortization expense	2.1	15.4	-	17.5
Non-GAAP income from operations *	<u>\$ 26.6</u>	<u>\$ 53.0</u>	<u>\$ (1.8)</u>	<u>\$ 77.8</u>
<i>Income from operations as a percent of Segment net sales</i>	12.8%	21.5%		17.2%

*Reconciliation of 2021 Non-GAAP Net Income Guidance and Non-GAAP Diluted EPS Guidance (Amounts in millions except per share information)

	Projected Fiscal Year 2021 Net Income	Fiscal Year 2021 Diluted earnings per share
Net loss and diluted earnings per share	\$128.7 - \$137.1	\$1.97 - \$2.10
Restructuring costs	0.8 - 2.8	
Acquisition related stock compensation expense	0.9	
Acquisition amortization expense	67.8 - 71.5	
Non-cash amortization of interest rate swap expense	11.8	
Tax impact of above adjustments (1) (2)	(17.9 - 18.7)	
Non-GAAP Net Income	<u>\$192.1 - \$205.4</u>	<u>\$2.95 - \$3.15</u>

(1) Adjustments are made pre-tax, with net tax impact listed separately

(2) Tax impact is calculated by multiplying the estimated effective tax rate for the period of 21.5% - 22.0%

Reconciliation of Non-GAAP Operating Income and Non-GAAP Operating Income Margin (amounts in millions)

	Quarter ended December 31, 2020		
	GAAP Operating Income	Adjustments	Non-GAAP Operating Income
Net sales	\$ 453.2	\$ -	\$ 453.2
Cost of sales	291.3	-	291.3
Gross Profit	161.9	-	161.9
Operating expenses			
Selling, general and administrative expenses	86.8	17.9	68.9
Research and development expenses	15.2	-	15.2
Restructuring costs	1.9	1.9	-
Income from operations	<u>\$ 58.0</u>	<u>\$ 19.8</u>	<u>\$ 77.8</u>
<i>GAAP and non-GAAP Income from operations as a percent of net sales</i>	12.8%		17.2%

*Reconciliation of 2021 Non-GAAP Adjusted EBITDA Guidance (Amounts in millions)

	Fiscal Year 2021
Net Income	\$128.7 - \$137.1
Interest Expense	68.5 - 71.5
Tax Expense	38.4 - 34.3
Depreciation Expense	52.5 - 53.5
Amortization Expense	67.8 - 71.5
Stock Based Compensation	13.3 - 14.3
Restructuring and consolidation costs	0.8 - 2.8
Non-GAAP Adjusted EBITDA	<u>\$370.0 - \$385.0</u>

Non-GAAP Adjusted EBITDA*

Reconciliation of Non-GAAP Adjusted EBITDA and Non-GAAP Adjusted EBITDA Margin (amounts in millions)

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>LTM</u>
Net Income/(Loss)	(\$116.6)	\$21.6	\$38.3	\$31.2	(\$25.5)
Asset Impairment and Other, Net	(2.1)	2.0	(1.1)	2.9	1.7
Taxes	2.7	9.1	9.4	8.3	29.5
Interest Expense, net	17.4	18.8	18.0	17.9	72.1
Depreciation Expense	14.6	14.7	14.9	13.6	57.8
Amortization Expense	17.5	17.3	17.5	17.5	69.8
Impairment of goodwill and intangible asset	147.5	-	-	-	147.5
Automation and Specialty acquisition purchase price adjustment	-	-	(0.8)	-	(0.8)
Stock Compensation Expense	3.3	3.8	3.2	2.8	13.1
Restructuring costs	1.6	1.5	2.4	1.9	7.4
Non-GAAP Adjusted EBITDA	<u>\$85.9</u>	<u>\$88.8</u>	<u>\$101.8</u>	<u>\$96.1</u>	<u>\$372.6</u>
<i>Non-GAAP Adjusted EBITDA as a percentage of net sales</i>	19.8%	22.2%	23.3%	21.2%	21.6%