



Wells Fargo Industrials & Oppenheimer Industrial Growth Conferences

May 5&6, 2020

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All estimates of future performance are as of March 19, 2020. Enerpac Tool Group’s inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental financial schedules at the end of this presentation or accompanying the Q2 Fiscal 2020 earnings press release for a reconciliation to the appropriate GAAP measure.

As we progress through the uncertainty and volatility of the dual impacts of COVID-19 and the Oil and Gas shock, we are focused on controlling those things under our control:

- Employee Safety and Plant Operations
- Cash and Liquidity
- Cost measures – permanent and temporary
- Capital Allocation
- Organic growth strategy execution
- Contributing to our communities
- Preparing for next phases



Employee Safety is #1 Concern

- Plants are operating as essential businesses
 - Split shifts in our plants
 - Temperatures are monitored and masks are provided at all operating locations
 - Aggressive cleaning measures
 - Enforcing social distancing
- Non-production personnel are working from home – nearly 2/3 of our employees
 - We have quickly become adept at effectively working remotely
 - Focus on collaboration internally and externally
- Suspended all travel except when employees are required at customer sites



Strong Balance Sheet* – We are well positioned

- Leverage at 1.3X
- Interest coverage at 4.02X
- Liquidity
 - >\$160 million of cash
 - Undrawn Revolver - \$400 million
- Credit facility covenants –
 - Net debt/EBITDA of 3.75x with holiday of up to 4.25x
 - Minimum interest coverage (TTM EBITDA / Annual interest expense) of 3.50x with a 12-month post-divestiture minimum of 3.00x in effect through fiscal 2020,

Current Debt Structure*:

- **High Yield Bonds:** \$287M at 5.625%
- **Revolver:** \$400M – nothing drawn; current borrowing rate L+1.375%
- **Term Loan Accordion**:** up to \$200M
- **Additional/Revolver Accordion**:** up to \$300M



Proactively Managing Capital Structure

- Focusing on liquidity preservation, while positioning for long-term growth
- Given interest rate environment and flexibility in existing credit facility, evaluating options to reduce interest expense
 - ~ \$20 million in annual interest expense from high yield bonds due 2022 – callable at par June 2020
- Amended the credit facility to extend the 3.00x minimum interest coverage for 12 additional months through fiscal 2021, providing additional flexibility in case of a prolonged downturn



Cost Control Measures

- Temporary/COVID-19 related measures generating ~\$9M in savings in back half of fiscal 2020:
 - U.S.-based salaried employees
 - 2-week furlough
 - Temporarily suspended 401k match
 - Suspended fiscal 2020 annual bonus program
 - Executing on savings for rest of world based on local employment regulations
 - Participating in foreign government assistance programs as available
 - Eliminated discretionary spending including non-essential capex
- Permanent cost measures - March 2019 announced accelerated actions to eliminate ~\$10 million of structural and redundant costs post ECS divestiture
- Accelerating Enerpac footprint rationalization
- As COVID-19 impacts progress, we will continue to evaluate opportunities for cost reductions more permanent in nature



Reduce Debt and Maintain a Strong Balance Sheet



Invest in Ourselves to Drive Organic Growth



Opportunistic Share Buybacks



Disciplined M&A within Tool Space

- **Given the volatility in the market, our current capital allocation priorities are focused on maintaining a strong balance sheet and financial flexibility**
- **Investing in ourselves is a key priority**
- **We have suspended repurchases until we have greater clarity**
- **We will continue to cultivate our M&A pipeline to act opportunistically when our markets stabilize**



New Product Development (NPD)

- Continuing our investment
- NPVI greater than 10% through Q2 provides meaningful impact to current conditions
- New product launches continue throughout the year – including key products from HTL acquisition

Q1



Tilt Saddles

- COE: LIFTING



2nd Brand – High Tonnage

- COE: LIFTING



SL400N Gantry (Narrow)

- COE: HLT

Q2



Split Flow Pumps (SFP)

- COE: LIFTING



SCJ100 Cube Jack (100T)

- COE: HLT



Gantry Accessories

- COE: HLT



Commercial Effectiveness

- Further realignment of commercial team to get closer to customer through March actions
- Since COVID-19
 - Continued support of our distributors through virtual training and meetings
 - Supporting markets where demand continues – power generation
 - Targeted e-commerce and digital marketing programs
 - Newly launched B2C e-commerce site and enhanced B2B
 - E-mail marketing campaigns focused new products and promotions
 - Social media campaigns promoting new products and driving Enerpac awareness



ENERPAC

Safely cut rebar in less than 2 seconds without exploding wheels or shooting sparks

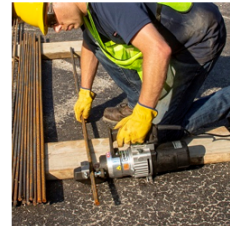
Time is money. Preparation and the cutting process with gas saws, angle grinders and cut-off tools can be a time-consuming process.

- The new Bar Cutters from Enerpac **save time**
- No hot work permit
 - No flame retardant PPE
 - No frequent changing of damaged wheels

Cutting speed is greatly improved with thousands of cuts a day the electric bar cutter cutting #6 rebar in 2 seconds compared to a gas saw in 5 seconds and cut-off tool in 7 seconds, saving you tens of hours in a day.

Save time and money by using the right tool for the job.

[Learn more](#)





Community Outreach

- Continue to support the communities in which we live
 - Donation of masks to local hospitals
 - Columbus, WI operations team produced face shields for local health care providers
 - Cortland, NY team produced masks using existing production materials
 - Charitable donation to support community initiatives in Milwaukee



Post-quarantine Preparedness

- Employee safety will continue to be our priority
- Regional preparedness planning underway to open offices and return to work
- Will follow guidelines from local governments
- Monitoring supply chains
- Production facilities operating safely to meet customer demand

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TOOL GROUP