ENERPAC TOOL GROUP

Fiscal 2022 Fourth Quarter Earnings

September 29, 2022

Forward-Looking Statements

Statements in this presentation that are not historical are considered “forward-looking statements” and are subject to change based on various factors and uncertainties that may cause actual results to differ significantly from expectations. Those factors are contained in Enerpac Tool Group’s Securities and Exchange Commission filings.

All estimates of future performance are as of September 28, 2022. 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 Q4 Fiscal 2022 earnings press release for a reconciliation to the appropriate GAAP measure.

Strategy Update – ASCEND

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ASCEND Transformation Program

- Key Initiatives
  - Accelerating organic growth go-to-market strategies
  - Improving operational excellence and production efficiency by utilizing a Lean approach
  - Driving greater efficiency and productivity in SG&A by better leveraging resources and technology to create a more efficient and agile organization
- Focused on driving accelerated growth and EBITDA
  - Utilizing an 80/20 approach to help drive organic growth and operational excellence
  - Identified meaningful opportunities to meet or exceed our 25% EBITDA margin target
  - Expect total incremental annualized adjusted EBITDA of $40-50 million, with some initiatives taking longer to action than others
  - Run-rate expected to be achieved by Fiscal 2025
  - Expect to invest $60-$65 million over the program period*
- Moved from design stage to implementation stage with contributions from all levels of the organization

*Anticipate $10-$15 million to be attributable to restructuring costs

Strategy Update – Examples of ASCEND Progress

Initiatives	Key Actions
Strategic Pricing	• **Analyzed our price position** across **key product** categories in **major markets** and **customer segments** globally • **Reviewed margin profiles** and **pricing practices** throughout **global portfolio** of products, rentals, and services • As a result of analysis performed, **deployed pricing actions**
Product & Commercial	• **Rationalization of significant number of SKUs** based on 80/20 analysis to simplify product offering and drive efficiencies across sourcing and manufacturing • **Analyzed commercial coverage model for gaps – increasing territory management support** in key territories
Operational Excellence and Production Efficiency	• **Implementing digital scheduling** and **capacity planning tool** with goal to **improve utilization/labor efficiency** • **Implementing warehouse management system optimization** initiatives designed to improve **picking accuracy** and **increase receiving throughput**

We anticipate $12 to $18 million of EBITDA benefit related to ASCEND in Fiscal 2023.
Additional information to be provided at Investor Day on November 16th in New York City.

Strategy Update – Share Repurchase Update

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Share Repurchase Program

- In March we announced that the Board approved a new share repurchase program of up to 10 million shares
- Repurchased 2.0 million shares, for a total of $39 million in the fourth quarter
- Under the new repurchase authorization, we have repurchased a total of ~3.8 million shares for a total of $75 million in the back half of fiscal 2022
- Reauthorization and intent to repurchase shares remains an important part of our balanced capital allocation framework
- Reflects Board's confidence in our strong financial position and cash generating abilities as we embark on our ASCEND program

Market Update

Overview

- Strong top line, despite currency headwinds, driven by solid customer demand, breaking typical Q4 seasonal trend
- Continued to manage on-going supply chain and logistics challenges
- Took additional pricing actions to offset inflation
- COVID challenges had minimal impact on the quarter
- Crisis in Russia/Ukraine continued impacts included
  - European energy crisis
  - Ancillary challenges including further supply chain constraints, foreign currency headwinds, and delayed maintenance as refineries continue to run to reduce dependency on Russian oil & gas in some regions

IT&S Regional Core Sales

- MENAC growth: ~mid 30%
- Americas growth: ~mid teens%
- Asia Pacific growth: flat
- Europe decline: ~low single digits%

Regional Update

Americas

- Another quarter of solid year-over-year core growth in the Americas
- Key Verticals
  - Broad based improvement
  - Rail was strong due to investments in maintenance
  - Industrial MRO demand was strong from our national distributors
  - Mining continued to be positive in South America
- Distribution
  - While demand has been steady, dealer sentiment was cautious due to inflationary concerns

Europe

- Year-over-year core sales decline in Europe primarily driven by a decrease in year-over-year service due to delayed maintenance work as refineries continue to operate to reduce dependance on Russian oil & gas. In addition, there was a large service project in Q4 of the prior year that did not repeat.
- Key Verticals
  - Wind was positive, driven by need to become independent from Russian oil & gas
  - Oil & gas exploration activities increased due to high oil & gas prices, but large shutdowns are being delayed
- Distribution
  - Dealer sentiment in much of Europe was cautious due to the current macroeconomic environment

Regional Update

Asia Pacific

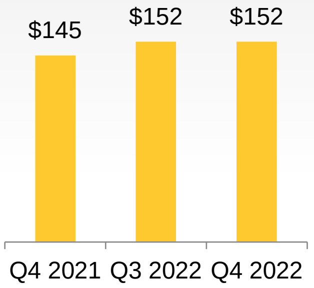
- Core sales flat year-over-year
- While some COVID closures/lockdowns continue to occur, there was significantly less impact in the fourth quarter
- Key Verticals
  - Mining continued to be positive due to demand across the region for raw materials
  - Shipbuilding activity largely driven by the transportation of liquefied natural gas
  - Infrastructure driven by government spend on capital projects, particularly in Australia

Middle East/North Africa/Caspian (MENAC)

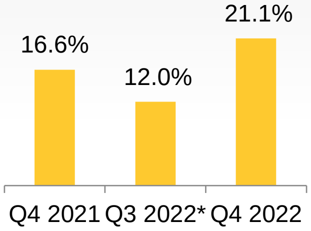
- Strong year-over-year core growth
- Maintenance work at some facilities is being postponed a few months to leverage high oil prices
- COVID travel restrictions did not limit work scopes in the quarter
- Key Verticals
  - Oil & Gas – energy producers are making large investments in downstream activity (shifting away from standard oil refining and gas processing)
  - Power Generation and Infrastructure continued to be strong in the quarter

Fourth Quarter 2022 Comparable Results

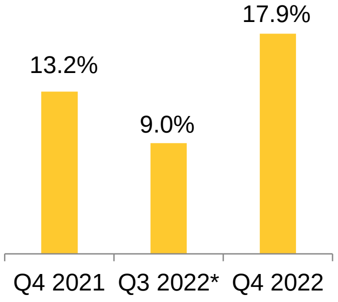
(US$ in millions except EPS)



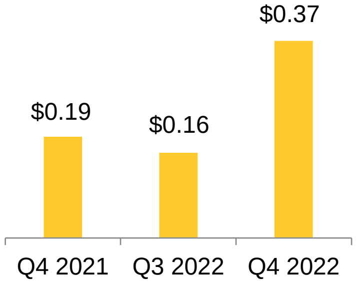
Net Sales**



Adjusted EBITDA %**



Adjusted Operating Profit %**



Adjusted Diluted EPS**

NET SALES**

- Core sales growth of 10%
  - IT&S product sales 12%
  - Other product 14%
  - Service 3%
- Unfavorable impact of FX ~$7M, reducing core sales by 6%

ADJUSTED EBITDA**

- Incremental EBITDA margins of ~67%, excluding the impact of currency

ADJUSTED OPERATING PROFIT**

- Year-over-year increase is primarily due to higher product price/cost realization

ADJUSTED DILUTED EPS**

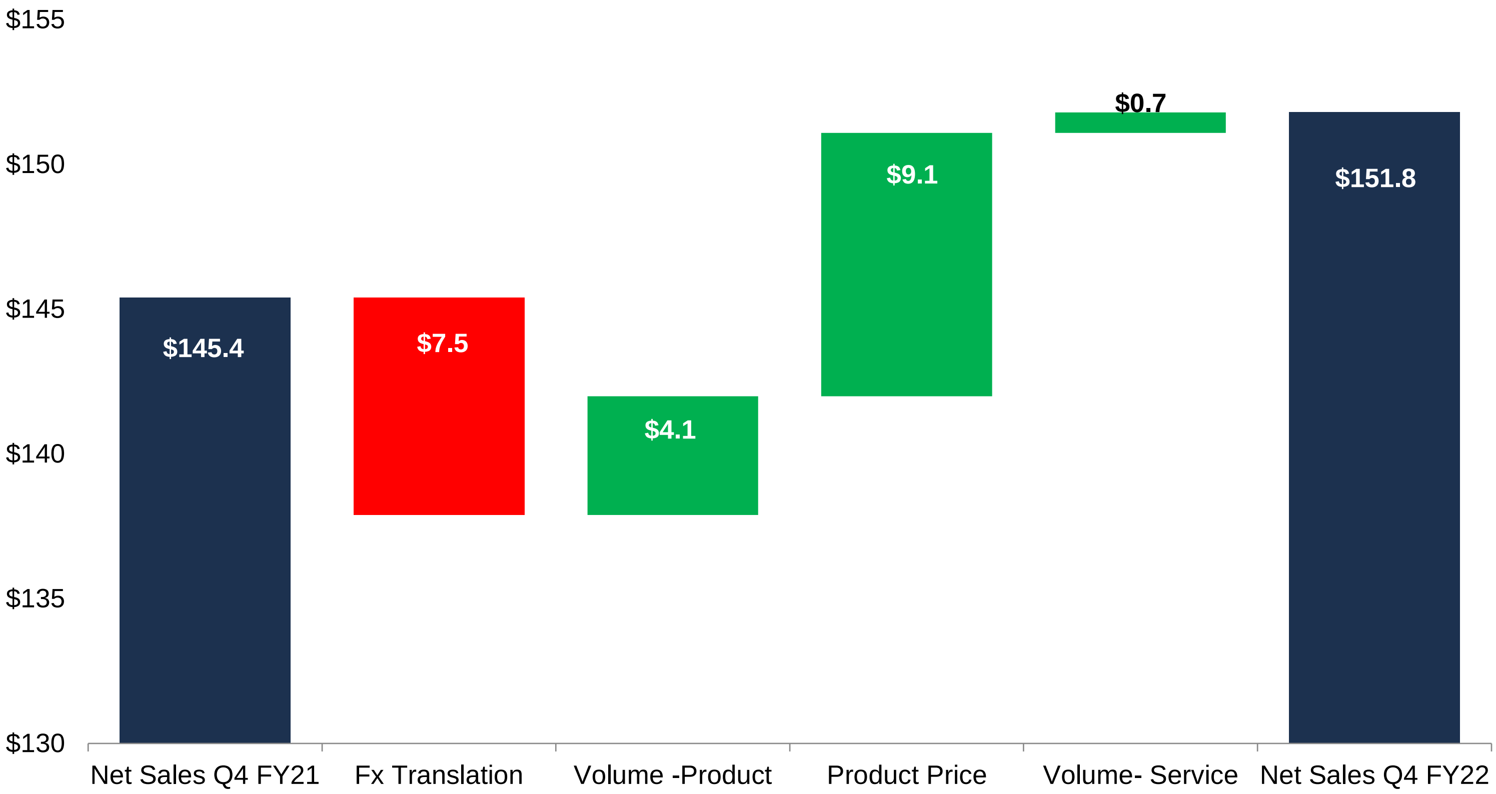
- Year-over-year increase is due to the increase in operating margin and the lower effective tax rate
- Adjusted effective tax rate for the quarter ~17% vs ~36% in the prior year

*Increased receivable reserve related to MENAC agent had an unfavorable impact of 720 bps

**Adjusted Operating Margin, EBITDA Margin and EPS excludes restructuring, impairment and other charges identified in the accompanying reconciliations to GAAP measures. In addition, see reconciliation of net sales to core sales in the appendix.

Net Sales Waterfall*

(US$ in millions)



Product price was the primary driver of the year-over-year increase, along with product volume driven by strong customer demand, despite on-going supply chain challenges and FX headwinds

* See the reconciliation of net sales to core sales in the appendix.

IT&S Product Net Sales

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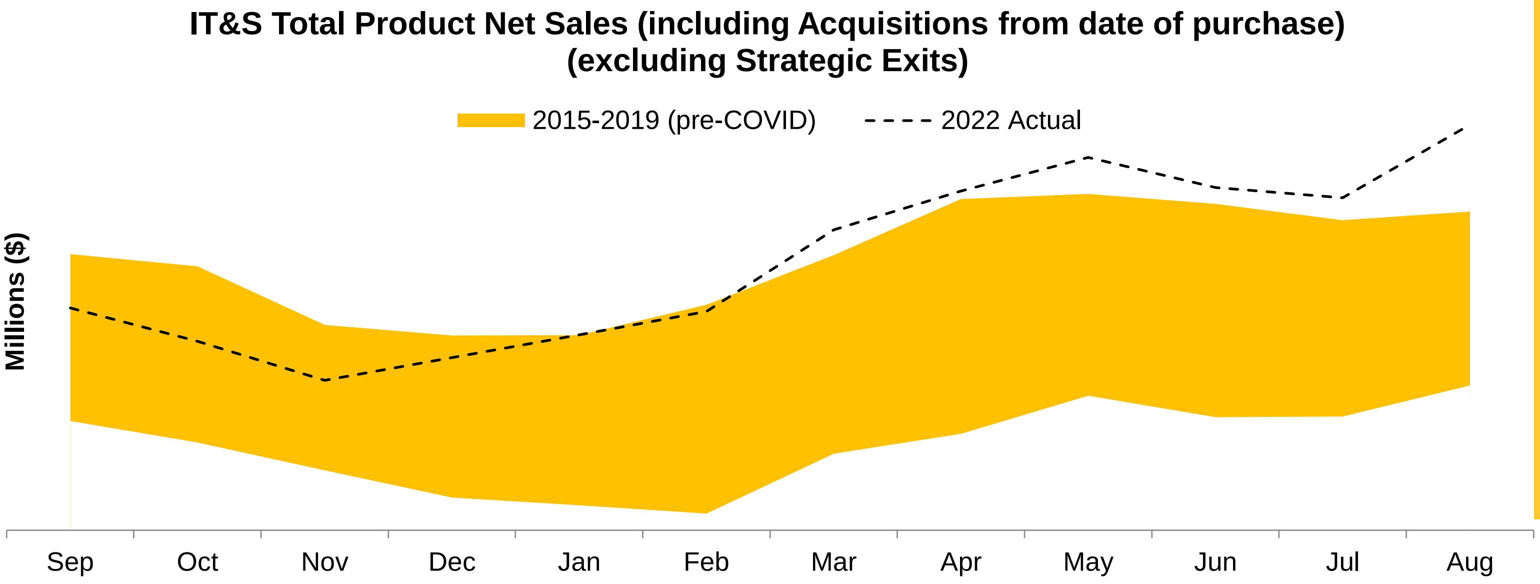
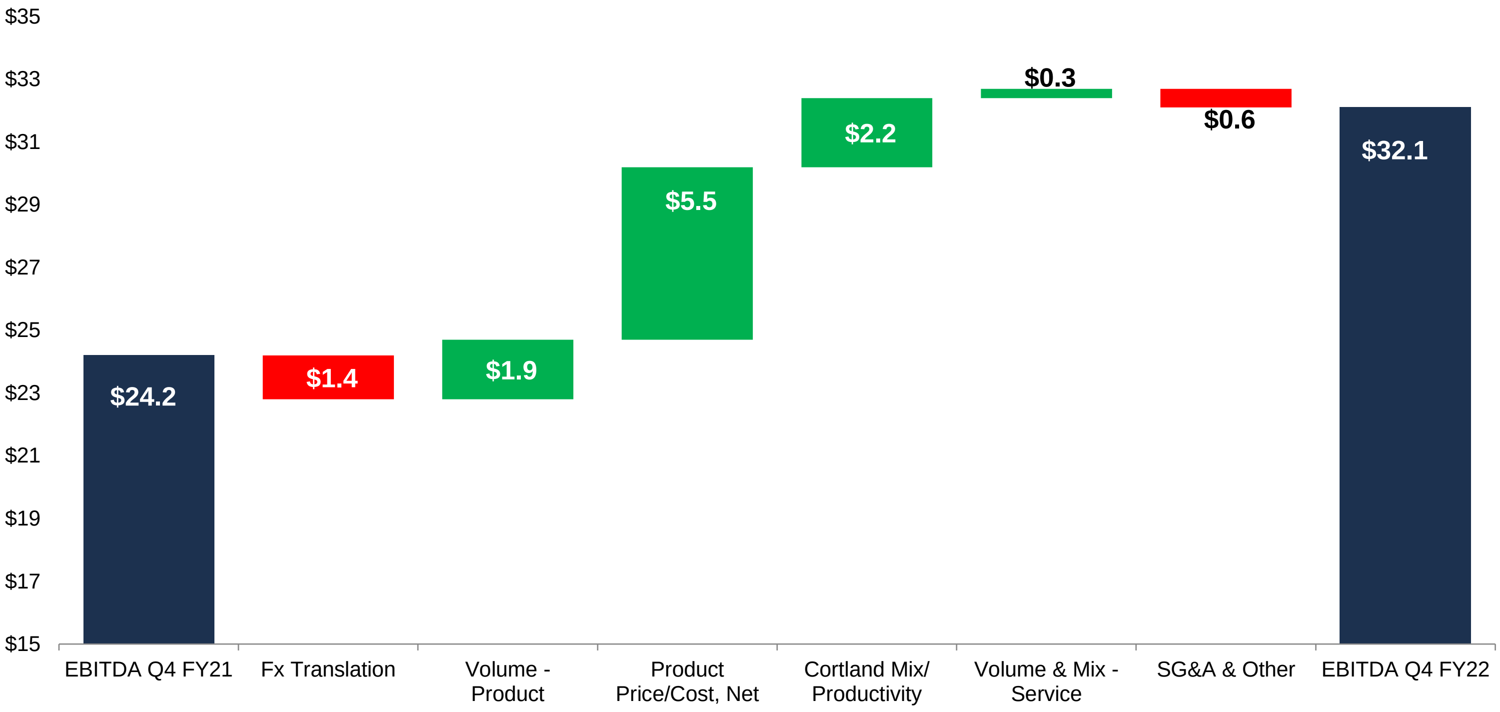


Due to continued strong demand, we exceeded the peak IT&S product sales of the 5 years prior to COVID each month in the fourth quarter

Adjusted EBITDA Waterfall*

(US$ in millions)



Adjusted EBITDA primarily benefited from net price benefit in product slightly offset by higher SG&A costs and FX

* Includes certain Non-GAAP financial measures. See the accompanying reconciliation tables for additional details.

Operations Update

Supply Chain

- Supply chain challenges continued during the fourth quarter
- As it relates to the US supply base, availability of labor is improving but lead times remain long (castings, forgings and electrical components)
- Electrical components are our biggest challenge (up to 80 weeks), driving higher than normal past due backlog
- Combination of strong orders and supply chain challenges putting pressure on past due backlog (up $1-2 million quarter over quarter)

Logistics & Commodity Costs

- Experienced some easing of high freight costs (down ~50% from April rates), specifically in China
- Some commodity prices improved in the fourth quarter, albeit at a slow pace
- European energy crisis driving electricity and natural gas prices up, 500% and 1100%, respectively in the region
- Took additional pricing actions to cover cost increases and will continue to monitor to preserve margin
- Expect inflationary environment to continue through at least the remainder of the calendar year

Liquidity – Positioned for Success

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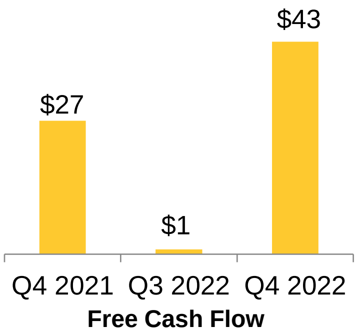
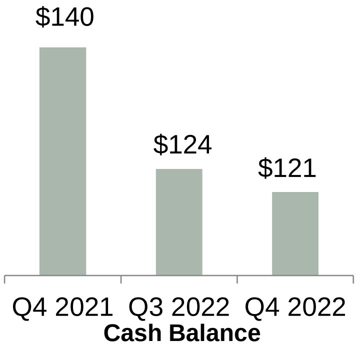
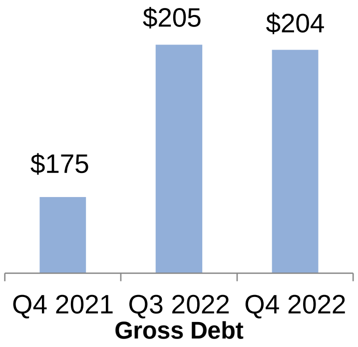
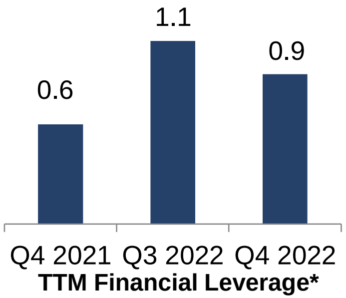
(US$ in millions)









<u>Free Cash Flow (FCF)</u>

- $7M decrease in accounts receivable in the quarter, driven by strong collections in Q4 (excluding FX)
- Inventory remained flat compared to the third quarter (excluding FX)
- $8M increase in accounts payable (excluding FX)

<u>Leverage</u>

- Remain well below target range of 1.5-2.5x
- Refinanced credit facility in September

* Q4 2022 calculated in accordance with the terms of the Company's September 2022 Senior Credit Facility. Prior periods calculated in accordance with the terms of the Company's March 2019 Senior Credit Facility

Expectations for Fiscal 2023

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Fiscal 2023 Full Year Guidance:

- **Net Sales in the range of $565 to $585 million, with core growth of 3%-6%**
- **Projected year-over-year core growth by category**
  - IT&S Product ~ up mid single digits%
  - IT&S Service ~ down mid single digits to flat%
  - Other ~ up low to mid single digits%
- **Adjusted EBITDA range of $113 to $123 million, including an ASCEND EBITDA benefit of $12 to $18 million**
- Guidance is based on current exchange rates and assumes no broad-based recession

Fiscal 2023 Annual Modeling Assumptions:

- Tax Rate: ~25%-30%
- Depreciation/Amortization: ~$16-$18 million
- Interest Expense: ~$11 million
- Capital Expenditures: ~$10-$15 million
- Cash Taxes: ~$7-$9 million
- Free Cash Flow: ~$50-$65 million
- Key FX rates :
  - $0.98/1€
  - $1.11/1£

We continue to be cautious as we enter fiscal 2023 and are closely monitoring headwinds and tailwinds. With the benefits of our ASCEND initiatives we believe that we are well positioned to respond to macroeconomic events

Q&A

Appendix

Adjusted Operating Profit Waterfall*

(US$ in millions)

Adjusted Operating Profit primarily benefited from net price benefit in product slightly offset by higher SG&A costs and FX

* Includes certain Non-GAAP financial measures. See the accompanying reconciliation tables for additional details.

Fourth Quarter 2022 GAAP vs Non-GAAP Reconciliation

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(US$ in millions except EPS)

		Less				
	GAAP	Restructuring Charges	ASCEND Transformation Charges	Impairment & Divestiture Charges	Tax Benefits	Adjusted
Sales	$151.8					$151.8
Operating Profit	$13.1	($3.0)	($9.8)	($1.3)	$0.0	$27.2
Income Taxes	$0.3	($1.0)	($2.4)	$0.0	($0.8)	$4.5
Net Income	$11.4	($2.1)	($7.4)	($1.3)	$0.9	$21.3
Effective tax rate	*2.6%*					*17.4%*
Diluted EPS	$0.20	($0.04)	($0.13)	($0.02)	$0.02	$0.37

Restructuring Charges include:

- $3.0 million charge related to ASCEND initiatives

ASCEND Transformation Charges include:

- $9.8 million charge related to ASCEND transformation initiatives

Impairment & Divestiture Charges include:

- $1.3 million charge related to the Other operating segment

Tax Benefits include:

- $0.5 million related to leadership transition and board search charges
- $0.4 million related to previously recorded business review charges

The summation of individual components may not equal the total due to rounding

Reconciliation of Non-GAAP Measures

(US$ in millions)

Adjusted EBITDA

	Q4 2022	Q4 2021
Net Earnings	$11	$7
Net Financing Costs	$2	$1
Income Taxes	$0	$6
Depreciation & Amortization	$5	$5
Restructuring Charges	$3	$0
Impairment/Divestiture	$1	$6
ASCEND charges	$10	$0
Adjusted EBITDA	$32	$24

Free Cash Flow

	Full Year 2022	Full Year 2021
Cash From Operations	$ 52	$ 54
Capital Expenditures	$ (8)	$ (12)
Proceeds on Sale of PPE	$ 1	$ 22
Other	$ -	$ 5
Free Cash Flow	$ 44	$ 69

Incremental Margin

	Consolidated		
	Q4 2022	Q4 2021	% Change
Net Sales	$152	$145	
Fx Impact	$0	($7)	
Net Sales adj for Fx	$152	$138	$14
	Q4 2022	Q4 2021	% Change
Adjusted EBITDA	$32	$24	
Fx Impact	$0	($1)	
Adjusted EBITDA adj for Fx	$32	$23	$9
Incremental EBITDA (a)			67%

(a) Change in Fx adjusted EBITDA divided by Change in Fx adjusted Net Sales

Core Sales

	Consolidated			IT&S Segment		
	Q4 2022	Q4 2021	% Change	Q4 2022	Q4 2021	% Change
Net Sales	$152	$145	4%	$140	$135	4%
Fx Impact	$0	($7)		$0	($7)	
Core Sales	$152	$138	10%	$140	$127	10%

- The Enerpac Tool Group fiscal 2022 Q4 earnings release and full GAAP to non-GAAP reconciliation is available online at: https://www.enerpactoolgroup.com/investors/quarterly-results/
- The summation of individual components may not equal the total due to rounding

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