Lincoln Electric Holdings, Inc.

Q3 2013 Earnings Conference Call • October 31, 2013

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Safe Harbor & Reg-G

Forward-Looking Statements:

Statements made during this presentation which are not historical facts may be considered forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied. Forward-looking statements generally can be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "forecast," "guidance" or words of similar meaning. For further information concerning issues that could materially affect financial performance related to forward-looking statements, please refer to Lincoln Electric's quarterly earnings releases and periodic filings with the Securities and Exchange Commission, which can be found on www.sec.gov or on www.lincolnelectric.com.

Non-GAAP Measures:

Our management uses non-GAAP financial measures in assessing and evaluating the Company's performance, which exclude items we consider unusual or special items. We believe the use of such financial measures and information may be useful to investors. Non-GAAP financial measures should be read in conjunction with the GAAP financial measures, as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures. Please refer to the attached schedules for the reconciliation of non-GAAP financial measures to the related GAAP financial measures.

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Q3 2013 Highlights
Generating Solid Returns

- **14.7% operating profit margin (adjusted basis) – up 150 basis points**
- **EPS up 4% to $0.80, and up 8% to $0.86 on an adjusted basis**
- **Cash flow from operations up 88% to $155 million**
- **ROIC at 18.5%**
- **Returned $60 million in cash to shareholders (shares & dividends)**

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Income Statement – Q3 2013

Ongoing Profit and Earnings Expansion

($ in Millions)	Q3 2013	% of Sales	Q3 2012	% of Sales	YoY % Change
Net Sales	$691.9		$697.6		(0.8%)
Operating Income	$95.2	13.8%	$ 88.7	12.7%	7.3%
Operating Income, as Adjusted[1]	$101.5	14.7%	$ 91.8	13.2%	10.6%
Net Income	$ 66.0	9.5%	$ 64.8	9.3%	2.0%
Net Income, as Adjusted[1]	$ 71.1	10.3%	$67.5	9.7%	5.4%
Diluted EPS	$ 0.80		$ 0.77		3.9%
Diluted EPS, as Adjusted[1]	$ 0.86		$ 0.80		7.5%

[1]Please refer to the appendix for reconciliation of non-GAAP measures.

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Key End Sectors
Sector Trends Illustrate Dynamic Conditions

	Transportation	Heavy Fabrication	Construction/ Structural	Shipbuilding	Energy-Related[1]
					
Areas of Strength	• U.S. • China • Mexico	• Brazil • India	• Residential U.S. *early stage* • Commercial U.S. • China	• Brazil • U.S. & Canada	• Latin Am. • Asia Pacific • N. America • Middle East
Areas of Weakness	• Europe	• North America • Europe • Asia Pacific	• Commercial high rise & industrial-Europe	• Europe • Asia Pacific	
Challenges	• Macros	• Commodity costs • Coal/Iron Ore	• Rising credit costs • Excess investment	• EU fiscal issues • Excess inventory • Excess capacity	• Nuclear • Pipemill
Opportunities	• New models • Advanced materials	• At/near trough – new projects	• Improved macros drive renovations • Urban renewal	• Specialty (LNG) • Improved yard productivity • New products	• Shale gas • Grid upgrade • Offshore • New technology and products

[1] Energy-Related includes Offshore, Pipe Mill, Pipe Line, Power Generation and Processing

Focused on Optimizing Operations & Profitability

- Automation investment continues
  - Brazil greenfield operation launching November 2013 and already accepting orders
  - Expanding Mexican automation facility to serve growing, regional automotive industry

- Ongoing investment in new products with 29 introductions at the recent Welding & Cutting show in Essen, Germany

- Achieving our estimated 2013 incremental benefits from prior actions: $8 to $10 million
  - Lower overhead costs and manufacturing efficiencies

- New strategic actions to improve profitability – expect accretive to EPS by 3 to 4-cents in 2014
  - Consolidating consumable assets within the European platform to reduce our cost structure and align with market conditions
  - Improving consumables efficiency in Asia Pacific

Efforts Driving Improved Shareholder Returns.

Income Statement – Q3 2013

$ in Millions		Q3 2013	% of Sales		Q3 2012	% of Sales	YoY % Change
							Fav/(Unfav)
Net Sales	$	691.9		$	697.6		(0.8%)
Gross Profit		232.7	33.6%		213.4	30.6%	9.1%
SG&A		131.2	19.0%		121.6	17.4%	(7.9%)
Special Items		6.3	0.9%		3.1	0.4%	(106.0%)
Operating Income		95.2	13.8%		88.7	12.7%	7.3%
Operating Income, as Adjusted		101.5	14.7%		91.8	13.2%	10.6%
Income Taxes		33.6	4.9%		26.2	3.7%	(28.4%)
Effective Tax Rate		34.3%			28.8%		(5.5%)
Net Income	$	66.0	9.5%	$	64.8	9.3%	2.0%
Net Income, as Adjusted	$	71.1	10.3%	$	67.5	9.7%	5.4%
Diluted EPS	$	0.80		$	0.77		3.9%
Diluted EPS, as Adjusted	$	0.86		$	0.80		7.5%

Sales Mix	
Volume	(2.5%)
Price	0.1%
Acquisitions	2.2%
F/X	(0.6%)
Total	(0.8%)

Please refer to the appendix for reconciliation of non-GAAP measures

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Welding Segment – North America

($ in Millions)	Q3 2013	Q3 2012	% YoY Change
Net Sales	**$ 404.1**	**$ 390.3**	**3.5%**
Adjusted EBIT*	**$ 75.2**	**$ 70.8**	**6.3%**
Adj EBIT Margin*	**17.1%**	**16.9%**	**20 bps**

Sales Mix*	
Volume	(0.2%)
Price	0.2%
Acq/Div	3.9%
Forex	(0.4%)
Total	**3.5%**

YoY margin growth continues as volumes stabilize and we recognize favorable mix and price/cost.
These benefits offset higher SG&A costs - largely from acquisitions.

* Figures may not sum due to rounding
Please refer to the appendix for reconciliation of non-GAAP measures

Welding Segment – Europe

($ in Millions)		Q3 2013		Q3 2012	% YoY Change
Net Sales	**$**	**98.5**	**$**	**104.5**	**(5.7%)**
Adjusted EBIT*	**$**	**7.9**	**$**	**8.5**	**(7.5%)**
Adj EBIT Margin*		**7.6%**		**7.9%**	**(30) bps**

Sales Mix*	
Volume	(8.2%)
Price	0.3%
Acq/Div	-
Forex	2.3%
Total	**(5.7%)**

Margins demonstrating resilience as most regional end markets continue to be soft. Export markets challenged - impacting volumes.

* Amounts may not sum due to rounding
Please refer to the appendix for reconciliation of non-GAAP measures

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Welding Segment – Asia Pacific

($ in Millions)	Q3 2013	Q3 2012	% YoY Change
Net Sales	**$ 63.8**	**$ 76.3**	**(16.3%)**
Adjusted EBIT*	**$ (1.0)**	**$ 2.1**	**(147.6%)**
Adj EBIT Margin*	**(1.4%)**	**2.6%**	**(400) bps**

Sales Mix*	
Volume	(12.7%)
Price	(1.3%)
Acq/Div	-
Forex	(2.3%)
Total	**(16.3%)**

Volumes impacted by persistent weak end sector trends. Margins challenged by geographic mix and portfolio repositioning.

* Amounts may not sum due to rounding
Please refer to the appendix for reconciliation of non-GAAP measures

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Welding Segment – South America

($ in Millions)	Q3 2013	Q3 2012	% YoY Change
Net Sales	**$ 51.7**	**$ 44.5**	**16.1%**
Adjusted EBIT*	**$ 15.9**	**$ 7.6**	**110.1%**
Adj EBIT Margin*	**30.7%**	**17.0%**	**1,370 bps**

Sales Mix*	
Volume	4.1%
Price	17.7%
Acq/Div	-
Forex	(5.6%)
Total	**16.1%**

Improving regional end sector trends driving volume growth. Strong pricing performance is focused on offsetting currency devaluation. Margin reflects favorable factors and benefits from currency translation.

* Amounts may not sum due to rounding
Please refer to the appendix for reconciliation of non-GAAP measures

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The Harris Products Group

($ in Millions)	Q3 2013	Q3 2012	% YoY Change
Net Sales	**$ 73.7**	**$ 81.9**	**(10.1%)**
Adjusted EBIT*	**$ 6.9**	**$ 7.7**	**(10.6%)**
Adj EBIT Margin*	**9.1%**	**9.2%**	**(10) bps**

Sales Mix*	
Volume	-
Price	(9.3%)
Acq/Div	-
Forex	(0.8%)
Total	**(10.1%)**

Volumes flat on mixed end market trends while margins show resilience despite lower pricing on declining raw materials.

* Amounts may not sum due to rounding
Please refer to the appendix for reconciliation of non-GAAP measures

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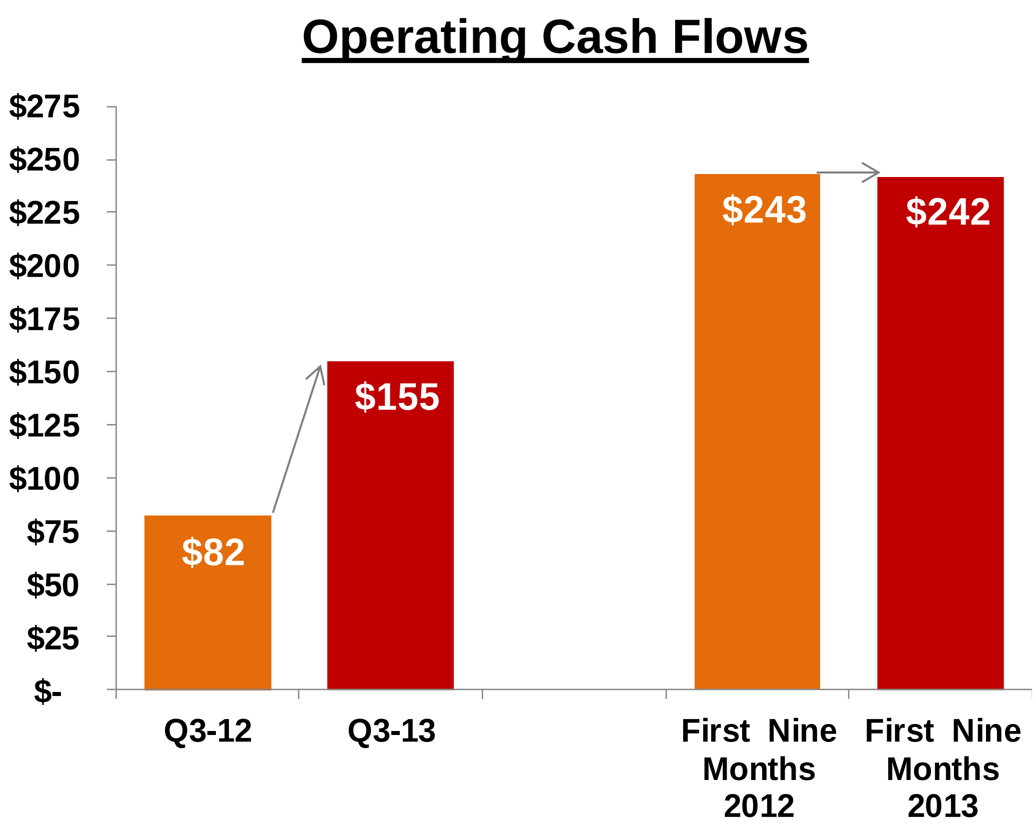
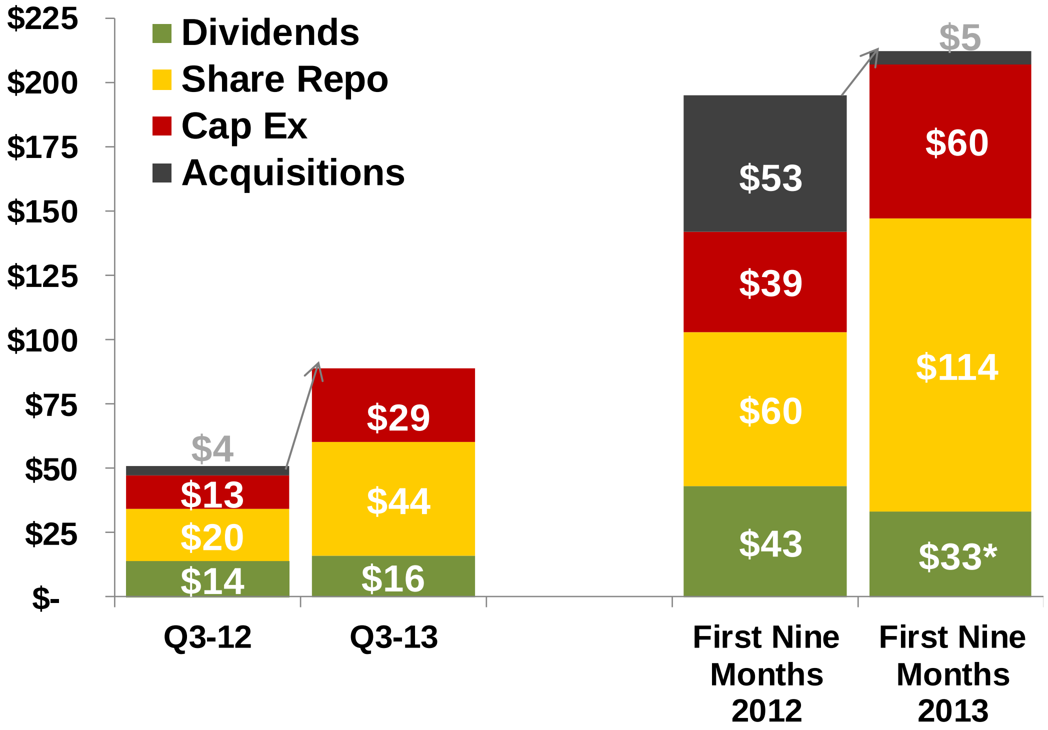
Operating Cash Flows Solid



- **Cash Flow**
  - Solid operating cash flows and cash flow conversion
  - Working capital up slightly on receivables
  - Net cash balance $314 million
- **Debt**
  - Debt/invested capital: 1.1%
  - Net cash to total capital 22%
- **2013 Pension Contributions**
  - Q3: $3 million
  - First Nine Months: $84 million in 2013 v. $58 million in 2012

Capital Allocation



Q3 Highlights vs. PY:

- **Dividends**
  - +16% at $16 million in Q3
    ($0.20 per common share per quarter)
  - Announced 15% increase for 2014
    ($0.23 per common share per quarter)
- **Share Repurchases**
  - +120% to $44 million
- **Capital Expenditures**
  - +119% to $28.6 million
  - Includes Venezuela facility purchase
- **Return on Invested Capital**
  - 18.5% at September 30, 2013

* Note: First Nine Month 2013 dividend allocation lower than prior year as the Q1-13 dividend payment was paid in December 2012.

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Non-GAAP Financial Measures

Non-GAAP Financial Measures: Reconciliation of Operating Income, Net Income and Earnings to Non-GAAP Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings

(In thousands, except per share amounts)
(Unaudited)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Operating income as reported	$ 95,178	$ 88,701	$ 288,080	$ 276,376
Special items (pre-tax):				
Rationalization and asset impairment charges (1)	6,302	3,059	8,204	4,317
Venezuelan currency devaluation (2)	—	—	12,198	—
Venezuelan statutory severance obligation (3)	—	—	—	1,381
Adjusted operating income (5)	$ 101,480	$ 91,760	$ 308,482	$ 282,074
Net income as reported	$ 66,044	$ 64,765	$ 205,456	$ 195,327
Special items (after-tax):				
Rationalization and asset impairment charges (1)	6,098	2,704	7,350	3,619
Venezuelan currency devaluation (2)	—	—	12,198	—
Venezuelan statutory severance obligation (3)	—	—	—	906
Special items attributable to non-controlling interests (4)	(1,021)	—	(1,021)	—
Adjusted net income (5)	$ 71,121	$ 67,469	$ 223,983	$ 199,852
Diluted earnings per share as reported	$ 0.80	$ 0.77	$ 2.47	$ 2.32
Special items	0.06	0.03	0.22	0.05
Adjusted diluted earnings per share (5)	$ 0.86	$ 0.80	$ 2.69	$ 2.37
Weighted average shares (diluted)	82,707	83,916	83,314	84,326

(1) The three and nine months ended September 30, 2013 include net charges associated with long-lived asset impairments and severance and other related costs from the consolidation of manufacturing operations partially offset by gains related to the sale of assets at rationalized operations.

(2) Represents the impact of the devaluation of the Venezuelan currency.

(3) Represents an unfavorable adjustment due to a change in Venezuelan labor law, which provides for increased employee severance obligations.

(4) Represents the portion of the long-lived asset attributable to non-controlling interests.

(5) Adjusted operating income, Adjusted net income and Adjusted diluted earnings per share are non-GAAP financial measures that management believes are important to investors to evaluate and compare the Company's financial performance from period to period. Management uses this information in assessing and evaluating the Company's underlying operating performance. Non-GAAP financial measures should be read in conjunction with the GAAP financial measures, as non-GAAP measures are a supplement to, and not a replacement for, GAAP financial measures.

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Non-GAAP Financial Measures

Non-GAAP Financial Measures: EBIT and Adjusted EBIT – Three Months Ended September 30, 2013

(In thousands)
(Unaudited)

	North America Welding	Europe Welding	Asia Pacific Welding	South America Welding	The Harris Products Group	Corporate / Eliminations	Consolidated
Three months ended September 30, 2013							
Net sales	$ 404,113	$ 98,522	$ 63,834	$ 51,715	$ 73,691	$ —	$ 691,875
Inter-segment sales	35,355	5,256	3,821	151	2,311	(46,894)	—
Total	$ 439,468	$ 103,778	$ 67,655	$ 51,866	$ 76,002	$ (46,894)	$ 691,875
EBIT (1)	$ 75,242	$ 6,286	$ (5,703)	$ 15,942	$ 6,917	$ (822)	$ 97,862
As a percent of total sales	17.1%	6.1%	(8.4%)	30.7%	9.1%		14.1%
Special items charge (2)	$ (17)	$ 1,595	$ 4,724	$ —	$ —	$ —	$ 6,302
EBIT, as adjusted (4)	$ 75,225	$ 7,881	$ (979)	$ 15,942	$ 6,917	$ (822)	$ 104,164
As a percent of total sales	17.1%	7.6%	(1.4%)	30.7%	9.1%		15.1%
Three months ended September 30, 2012							
Net sales	$ 390,327	$ 104,480	$ 76,263	$ 44,545	$ 81,937	$ —	$ 697,552
Inter-segment sales	28,186	3,261	2,748	27	1,869	(36,091)	—
Total	$ 418,513	$ 107,741	$ 79,011	$ 44,572	$ 83,806	$ (36,091)	$ 697,552
EBIT (1)	$ 70,320	$ 6,641	$ 1,346	$ 7,587	$ 7,739	$ (2,620)	$ 91,013
As a percent of total sales	16.8%	6.2%	1.7%	17.0%	9.2%		13.0%
Special items charge (3)	$ 477	$ 1,874	$ 708	$ —	$ —	$ —	$ 3,059
EBIT, as adjusted (4)	$ 70,797	$ 8,515	$ 2,054	$ 7,587	$ 7,739	$ (2,620)	$ 94,072
As a percent of total sales	16.9%	7.9%	2.6%	17.0%	9.2%		13.5%

(1) EBIT is defined as Operating income plus Equity earnings in affiliates and Other income.

(2) Special items in the three months ended September 30, 2013 include net rationalization and asset impairment charges.

(3) Special items in the three months ended September 30, 2012 include net rationalization and asset impairment charges.

(4) The primary profit measure used by management to assess segment performance is EBIT, as adjusted. EBIT for each operating segment is adjusted for special items to derive EBIT, as adjusted.

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Non-GAAP Financial Measures

Non-GAAP Financial Measures: EBIT and Adjusted EBIT – Nine Months Ended September 30, 2013

(In thousands)
(Unaudited)

	North America Welding	Europe Welding	Asia Pacific Welding	South America Welding	The Harris Products Group	Corporate / Eliminations	Consolidated
Nine months ended September 30, 2013							
Net sales	$ 1,242,736	$ 317,674	$ 203,112	$ 132,592	$ 241,766	$ —	$ 2,137,880
Inter-segment sales	99,869	13,865	12,579	222	7,209	(133,744)	—
Total	$ 1,342,605	$ 331,539	$ 215,691	$ 132,814	$ 248,975	$ (133,744)	$ 2,137,880
EBIT (1)	$ 233,553	$ 26,450	$ (3,464)	$ 19,921	$ 21,411	$ (2,963)	$ 294,908
As a percent of total sales	17.4%	8.0%	(1.6%)	15.0%	8.6%		13.8%
Special items charge (2)	$ 1,109	$ 1,664	$ 5,431	$ 12,198	$ —	$ —	$ 20,402
EBIT, as adjusted (4)	$ 234,662	$ 28,114	$ 1,967	$ 32,119	$ 21,411	$ (2,963)	$ 315,310
As a percent of total sales	17.5%	8.5%	0.9%	24.2%	8.6%		14.7%
Nine months ended September 30, 2012							
Net sales	$ 1,187,879	$ 344,720	$ 254,259	$ 121,552	$ 260,309	$ —	$ 2,168,719
Inter-segment sales	101,386	12,178	11,641	38	6,605	(131,848)	—
Total	$ 1,289,265	$ 356,898	$ 265,900	$ 121,590	$ 266,914	$ (131,848)	$ 2,168,719
EBIT (1)	$ 216,318	$ 29,851	$ 7,344	$ 12,091	$ 23,933	$ (6,882)	$ 282,655
As a percent of total sales	16.8%	8.4%	2.8%	9.9%	9.0%		13.0%
Special items charge (3)	$ 554	$ 2,466	$ 1,297	$ 1,381	$ —	$ —	$ 5,698
EBIT, as adjusted (4)	$ 216,872	$ 32,317	$ 8,641	$ 13,472	$ 23,933	$ (6,882)	$ 288,353
As a percent of total sales	16.8%	9.1%	3.2%	11.1%	9.0%		13.3%

(1) EBIT is defined as Operating income plus Equity earnings in affiliates and Other income.

(2) Special items in the nine months ended September 30, 2013 include net rationalization and asset impairment charges and special charges also include the impact of the devaluation of the Venezuelan currency.

(3) Special items in the nine months ended September 30, 2012 include net rationalization and asset impairment charges and special charges also include an unfavorable adjustment due to a change in Venezuelan labor law, which provides for increased employee severance obligations.

(4) The primary profit measure used by management to assess segment performance is EBIT, as adjusted. EBIT for each operating segment is adjusted for special items to derive EBIT, as adjusted.

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