Safe Harbor and Regulation G Disclosures

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 schedule for a reconciliation of non-GAAP financial measures to the related GAAP financial measures.
» **Remain focused on safety**: Implemented CDC and WHO best practice measures to protect employee health
- Heightened hygiene and sanitation practices
- Social distancing and safety protocols
- Maximizing flexible and remote work arrangements

» **Lincoln facilities are operating** as “essential businesses” focused on serving customers
- Sufficient inventory levels have been built to maintain high service levels to support a recovery
- Reopened our HQ Cleveland facility in Mid-May for customer visits
- Launching and investing in new products
Improvement in Q2 Order Rates Suggests an April 2020 Trough

» Q2 Organic Sales Performance: -24.8%
  – All regions impacted
  – Consumable and equipment (non-automation) organic sales declined at approximately the consolidated rate; automation declined mid-teens percent

» Q2 global end sector performance
  – Most end market sector trends weakened in Q2 sequentially and versus prior year
    – General Fabrication, Energy and Infrastructure/Construction sector performance is favorable to consolidated average
    – Automotive/Transportation and Heavy Industries sector declines are higher than consolidated average

» Q2 order rates improved through the quarter from a low -40% April trough

» July month-to-date order rates trending down high-teens to low -20% percent (through July 24th)

» Shape of the recovery remains unknown with risk of new shutdowns

1 End sector performance reflects direct channel organic sales trends and excludes automation.
Achieved $27 million in cost saving benefits in Q2 and $33 million in H1-2020, primarily from temporary cost reductions.

Implemented cost reduction actions:
- Reduced work hours, overtime, headcount and contractor use
- Reduced discretionary spending and travel
- Suspended new hiring
- Initiated five facility rationalizations year to date
- Deferring annual wage increases
- Limited capital investments to cost savings projects and growth initiatives

Realized $23.2 million in pre-tax rationalization and asset impairment charges in Q2-2020.

Expect $55 to $65 million of realized cost savings in 2020.

Approximately 35% of 2020 cost savings are permanent.

Expect to exit 2020 at $8 to $9 million in permanent cost savings per quarter.
Solid Balance Sheet and Increased Liquidity in Q2

(Data as of June 30, 2020)

» Investment grade profile balance sheet
  – Total debt/EBITDA: 1.97x
  – Net debt¹/EBITDA: 1.46x

» Total debt: $765M // Net debt: $622M

» Debt Covenant: 3.5x Total Debt/EBITDA²

» $700M in private Notes
  – 3.3% interest rate with 14-year tenor
  – First maturity August, 2025

» $25M annual interest expense in 2020

» Ample Liquidity of $545M as we reduced debt by $83M in Q2
  – Cash: $143M
  – Available lines of credit: $402M

» Expect continued generation of cash flows from reductions in working capital in 2020

» >100% cash conversion expected in 2020

¹ Net Debt is defined as Total debt less Cash and cash equivalents
² Debt covenant ratios use a credit agreement adjusted EBITDA definition which differs slightly from standard EBITDA calculations
A Pioneer with Market-Leading Technology

A global manufacturer and market leader with 125 years of expertise. Distinguished by an unwavering commitment to customers, employees and shareholders.

» Founded in 1895
» $3.0B in revenue in 2019
» Market cap of ~$5.4B
» Nasdaq Listed: ‘LECO’

» HQ in Cleveland, Ohio, U.S.A.
» 59 manufacturing facilities in 18 countries
» Distribution to over 160 countries
» 11,000 employees worldwide
Lincoln Electric Investment Highlights

Leader in complete solutions and application expertise

Track record of defending margins even in a down cycle

Predictable model enables higher dividend payout

Solid cash conversion ratio

Disciplined capital deployment delivers top quartile returns

#1 Global Provider of Solutions

13.7% Adj. Operating Income Margin\(^1\) (5-Yr Average)

13.6% CAGR 2011-2020

101% 3-Year Avg.

18.9% ROIC\(^1\) 3-Year Avg.

\(^1\) Adjusted operating income margin excludes special items. Please refer to the appendix for definitions and reconciliations of non-GAAP financial measures.
Diversified Products and Reach

Net Sales by Product Area

- Consumables (filler metals) 57%
- Equipment 43%

Net Sales by Segment

- Americas Welding 61%
- International Welding 28%
- The Harris Products Group 11%

1 Reflects FY2019 revenue
LECO is one of only three global providers to offer a complete solution.

**$22B Global Arc Welding, Brazing & Cutting Industry Market Share Estimates**

- **LECO**
- **Colfax**
- **ITW**
- **Others**

- Kemppi
- Hyundai
- OTC
- Hypertherm
- Atlantic
- Fronius
- Panasonic
- Bohler
- Big Bridge
- Kobelco
- Golden Bridge

**Lincoln Electric Revenue Mix by End Market Sector**

- **Construction & Infrastructure** (10%)
- **Automotive & Transportation** (17%)
- **Heavy Industries** (18%)
- **Energy & Process Industries** (22%)
- **General Fabrication** (33%)
- **Others** (10%)

---

1. Amounts based on Company estimates of the 2018 market and includes sales of equity affiliates
2. Reflects revenue mix estimates from Lincoln Electric (direct & distributor channels)
3. Heavy Industries includes heavy fabrication, ship building and maintenance & repair
Innovation Drivers

**Equipment Efficiency & Proprietary Waveforms**
- Standard weld start
- Weld start using LECO’s advanced technologies

**Industry-Driven Solutions**
- HyperFill™
- Process Z™

**Industry 4.0 & Data**
- Uses LECO’s advanced technologies

**Automated Joining & Cutting Systems and Cell Components**
- Automated arc welding, laser, laser hot wire & plasma solutions (flexible & mechanized)

**Large-Scale Metal Additive Solutions**
- Uses robotic arc and laser hot wire additive process
Innovation Investments Drive Growth

**New HyperFill™ Process**
- Patent-pending dual wire MIG process uses new accessories and software to **increase productivity and simplicity**
- Increases welding **productivity by 50+%**
- Designed for both manual and automated welding operations in general and heavy fabrication applications

**Next Generation Engine Drive**
- New **Ranger® 330MPX** engine drive
- **More efficient**: 31% smaller; 25% lighter; 60% quieter vs. prior model
- Quick set up simplifies the user's experience
- CrossLinc® enhances safety and productivity

---

**Solid Vitality Index**
- ~34% of 2019 consolidated sales from new products
- ~53% of 2019 equipment sales from new products

**Vitality Index reflects percent of product sales from new products in the Company, excluding the International Welding Segment. New products are defined as solutions launched within the last five years and excludes customized automation sales.**
New “Higher Standard 2025” Strategy Builds on Prior Achievements

Customer Focused
- Make it easier to do business with us
- Invest in industry segment teams and global weld tech centers to improve engagement

Employee Development
- Improve opportunities to learn and grow
- Expand development programming and employee resource groups

Solutions & Value
- Improve customers’ ability to make their products better, safer and easier
- Target $1B in automation & additive sales by 2025
- Enhance software solutions (IoT, AI)
- Expand differentiated solutions

Operational Excellence
- Improve our quality, costs & processes
- Achieve our environmental, health & safety goals
- Maximize the Lincoln Business System
- Digitize operations and processes

Continued Focus on Best-in-Class Financial Performance

- Sales Growth (organic & inorganic)
- Improving Average Operating Income Margin Through the Cycle
- Top Quartile ROIC
- Top Decile Average Operating Working Capital Ratio

1 Versus proxy peers
2 2025 environmental and safety goals are presented on slide 23
Disciplined M&A is Expanding Growth Opportunities

Expanding the market size potential for future growth

$22 Billion

$45 Billion

Arc Welding, Brazing & Cutting
Automation & Additive/Surfacing

$715 Million
Cumulative M&A Investment 2010 - 2019

Sales growth attributed to acquisitions (%)


5.3% 5.8% 4.9% 3.2% 1.5% 2.2% 2.0% 8.0% 9.1% 4.3%

4.6% Average

Based on company estimates
Focused on Higher Margin Opportunities and Operational Excellence While Mitigating Impact of Lower Demand

Adjusted Operating Income Margin\(^1,2\) vs. Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Adjusted Operating Income Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,729</td>
<td>8.4%</td>
</tr>
<tr>
<td>2010</td>
<td>$2,070</td>
<td>9.8%</td>
</tr>
<tr>
<td>2011</td>
<td>$2,695</td>
<td>11.4%</td>
</tr>
<tr>
<td>2012</td>
<td>$2,853</td>
<td>13.6%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,853</td>
<td>15.3%</td>
</tr>
<tr>
<td>2014</td>
<td>$2,813</td>
<td>14.9%</td>
</tr>
<tr>
<td>2015</td>
<td>$2,536</td>
<td>14.7%</td>
</tr>
<tr>
<td>2016</td>
<td>$2,275</td>
<td>14.0%</td>
</tr>
<tr>
<td>2017</td>
<td>$2,624</td>
<td>14.3%(^3)</td>
</tr>
<tr>
<td>2018</td>
<td>$3,029</td>
<td>13.4%</td>
</tr>
<tr>
<td>2019</td>
<td>$3,003</td>
<td>12.9%</td>
</tr>
<tr>
<td>H1-2020</td>
<td>$1,293</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

1 Adjusted operating income margin excludes special items. Please refer to the appendix for a reconciliation of non-GAAP financial measures.

2 Adjusted operating income margin results reflect the 2018 reclassification of pension costs, other than service costs, to Other income (expense).

3 Excluding the Air Liquide Welding acquisition, legacy company adj. operating income margin would have been 14.3% in 2017.

4 As reference, adjusted operating income margin was 12.2% in 2008.
Cash Generation a Top Strategic Priority
Q2-2020 Strategic Inventory Build Initiated to Service a Recovery

Cash Flow From Operations
($ in millions)

Operating Working Capital to Net Sales Ratio

1 Operating working capital to net sales ratio is defined as operating working (AR plus Inventory less AP) divided by annualized rolling three months of sales.

390 bps reduction 2010-2019
Predictable Model Enables a Growing Dividend Payout

Dividend History

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$0.62</td>
</tr>
<tr>
<td>2012</td>
<td>$0.68</td>
</tr>
<tr>
<td>2013</td>
<td>$0.80</td>
</tr>
<tr>
<td>2014</td>
<td>$0.92</td>
</tr>
<tr>
<td>2015</td>
<td>$1.16</td>
</tr>
<tr>
<td>2016</td>
<td>$1.28</td>
</tr>
<tr>
<td>2017</td>
<td>$1.40</td>
</tr>
<tr>
<td>2018</td>
<td>$1.56</td>
</tr>
<tr>
<td>2019</td>
<td>$1.88</td>
</tr>
<tr>
<td>2020</td>
<td>$1.96</td>
</tr>
</tbody>
</table>

13.4% CAGR 2011 - 2020

4.3% Increase in the 2020 Dividend Payout Rate
24th Consecutive Annual Dividend Increase
Capital Allocation and 2020 Priority Uses of Cash
Cash Flows From Operations Strong Through the Cycle

($ in millions)

» **Cap-ex**: Narrowing spend to cost reduction projects, new products & growth initiatives

» **M&A**: Opportunistic

» **Dividend**: Maintaining program

» **Share repurchases**: Temporarily suspending repurchases

---

1. Q1/2013 dividend paid in Q4/2012
2. CFO is defined as Cash Flows from Operations

---

**Table: Capital Allocation**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO</td>
<td>$257</td>
<td>$250</td>
<td>$157</td>
<td>$194</td>
<td>$327</td>
<td>$339</td>
<td>$402</td>
<td>$311</td>
<td>$313</td>
<td>$335</td>
<td>$329</td>
<td>$403</td>
<td>$126</td>
</tr>
</tbody>
</table>

---

**Legend: Capital Allocation**

- Acquisitions, net of cash acquired
- Cap Ex
- Share Repurchase
- Dividend

**Notes:**

- Capital Allocation and 2020 Priority Uses of Cash
- Cash Flows From Operations Strong Through the Cycle
- **Cap-ex**: Narrowing spend to cost reduction projects, new products & growth initiatives
- **M&A**: Opportunistic
- **Dividend**: Maintaining program
- **Share repurchases**: Temporarily suspending repurchases

---

**Data Source:**

- Q1/2013 dividend paid in Q4/2012
- CFO is defined as Cash Flows from Operations

---

**Images:**

- Diagram illustrating capital allocation and priority uses of cash over the years from 2008 to H1 2020.
Disciplined Capital Deployment Delivers Top Quartile Returns

Return on Invested Capital

1 Please refer to the appendix for the definition and reconciliation of this non-GAAP financial measure.
2 2016 ROIC reflects the impact of $350 million of senior notes in October 2016.
Positioned For Long Term Value Creation

**Top Market Position in Arc Welding**
- Differentiated by comprehensive product portfolio & automation
- Renowned *Welding Experts*® with industry-leading engineers

**Innovative R&D and Pragmatic M&A Driving Growth**
- Focused investments driving higher margins and returns
- ~34% of sales from new products
- M&A initiatives contributing to annual revenue growth

**Solid Execution Increasing Returns**
- Operational excellence is optimizing the cost structure
- Working capital efficiency supporting cash flow generation
- ROIC-driven model

**Predictable Model Accelerating Shareholder Returns**
- Business model resilient through economic cycles
- Strategy improving margin performance vs. 2008 peak
- Dividend increased annually for 24 consecutive years

#1 Global Provider
Driving Growth and Richening Mix
Top Quartile ROIC
$1.8B Returned to Shareholders 2015-2019
Sustainability Overview
Governance Highlights

At Lincoln Electric, we are committed to effective corporate governance and high ethical standards. We adhere to our ethical commitments in every aspect of our business, including our commitments to each other, in the marketplace and in the global, governmental and political arenas. These commitments are spelled out in our Code of Corporate Conduct and Ethics, which applies to all of our employees (including our principal executive and senior financial officers) and Board of Directors.

Lincoln Electric has a solid track record of integrity and corporate governance practices that promote thoughtful management by its officers and Board of Directors facilitating profitable growth while strategically balancing risks to maximize shareholder value.

Summary of our Board of Governance Practices and Policies:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Board</td>
<td>11</td>
</tr>
<tr>
<td>Number of Independent Directors</td>
<td>10</td>
</tr>
<tr>
<td>Average age of Directors</td>
<td>63</td>
</tr>
<tr>
<td>Percent diverse (independent)</td>
<td>30%</td>
</tr>
<tr>
<td>Board meetings held in 2019</td>
<td>5</td>
</tr>
<tr>
<td>New Directors in the last 5 years</td>
<td>3</td>
</tr>
<tr>
<td>Average tenure (years)</td>
<td>12.2</td>
</tr>
<tr>
<td>Annual election of Directors</td>
<td>Yes</td>
</tr>
<tr>
<td>Majority voting policy for Directors</td>
<td>Yes</td>
</tr>
<tr>
<td>Lead Independent Director</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of fully independent Board committees</td>
<td>4</td>
</tr>
<tr>
<td>Independent Directors meet without management</td>
<td>Yes</td>
</tr>
<tr>
<td>Director attendance at Board &amp; committee meetings</td>
<td>&gt;75%</td>
</tr>
<tr>
<td>Mandatory retirement age (75)</td>
<td>Yes</td>
</tr>
<tr>
<td>Stock ownership requirements for Directors</td>
<td>Yes</td>
</tr>
<tr>
<td>Annual Board and committee self-assessments</td>
<td>Yes</td>
</tr>
<tr>
<td>Code of Ethics for Directors, officers &amp; employees</td>
<td>Yes</td>
</tr>
<tr>
<td>Succession planning and implementation process</td>
<td>Yes</td>
</tr>
<tr>
<td>Environmental, risk management and D&amp;I review</td>
<td>Yes</td>
</tr>
<tr>
<td>Directors over boarded per ISS or Glass Lewis</td>
<td>No</td>
</tr>
</tbody>
</table>

Double-trigger change-in-control provision | Yes
Anti-Hedging and Anti-Pledging Policy | Yes
Supplier Code of Conduct | Yes
Human Rights Policy | Yes
Anti-Corruption Policy | Yes
No Harassment Policy | Yes
Environmental, Health & Safety Policy | Yes
Environmental and Safety goals | Yes

For more information, refer to our 2020 Proxy Statement at https://ir.lincolnelectric.com
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>75% DART rate</td>
<td>74.6% reduction</td>
<td>52% TRCR reduction</td>
<td>2029 v. 2011</td>
<td></td>
</tr>
<tr>
<td>GHG Emissions</td>
<td>15% CO₂e</td>
<td>25.9% reduction</td>
<td>10% (-1.5% YoY)</td>
<td>2022 v. 2018</td>
<td></td>
</tr>
<tr>
<td>Energy Intensity</td>
<td>30% metric tons</td>
<td>31.7% reduction</td>
<td>16% (-2.5% YoY)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling &amp; Landfill Avoidance</td>
<td>70% recycle/reuse rate (All waste materials)</td>
<td>74.3% recycle rate</td>
<td>80% recycle rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Use</td>
<td>24.1% reduction</td>
<td></td>
<td>14% (-2.1% YoY)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For definitions and details on our sustainability programs, please visit [https://sustainability.lincolnelectric.com](https://sustainability.lincolnelectric.com)
Contact:

Amanda Butler  
Vice President, Investor Relations & Communications

✉ Amanda_Butler@lincolnelectric.com  
📞 216.383.2534
### Non-GAAP Financial Measures

Adjusted operating income, Adjusted net income, Adjusted diluted earnings per share, Return on invested capital and EBITDA 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.

#### Reconciliation of Operating Income and Operating Income Margin to Non-GAAP Adjusted Operating Income and Adjusted Operating Income Margin

($ in thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income:</strong></td>
<td>115,252</td>
<td>200,182</td>
<td>305,719</td>
<td>376,801</td>
<td>413,705</td>
<td>367,080</td>
<td>324,582</td>
<td>283,614</td>
<td>376,942</td>
<td>$375,539</td>
<td>$370,910</td>
<td>$120,838</td>
</tr>
<tr>
<td><strong>Special items:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationalization and asset impairment charges / (gains)</td>
<td>29,897</td>
<td>(384)</td>
<td>282</td>
<td>9,354</td>
<td>8,463</td>
<td>30,053</td>
<td>19,958</td>
<td>-</td>
<td>6,590</td>
<td>25,285</td>
<td>15,188</td>
<td>29,759</td>
</tr>
<tr>
<td>(Gains) or losses on asset disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>705</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,045)</td>
</tr>
<tr>
<td>Venezuelan devaluation and deconsolidation charges (gains)</td>
<td>-</td>
<td>3,123</td>
<td>-</td>
<td>1,381</td>
<td>12,198</td>
<td>21,133</td>
<td>27,214</td>
<td>34,348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition transaction costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,002</td>
<td>4,498</td>
<td>1,804</td>
</tr>
<tr>
<td>Amortization of step up in value of acquired inventories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,578</td>
<td>-</td>
<td>3,008</td>
</tr>
<tr>
<td>Bargain purchase gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(49,650)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted operating income:</strong></td>
<td>$145,149</td>
<td>$202,921</td>
<td>$306,001</td>
<td>$387,536</td>
<td>$435,071</td>
<td>$418,266</td>
<td>$371,754</td>
<td>$317,962</td>
<td>$353,462</td>
<td>$405,322</td>
<td>$387,865</td>
<td>$151,403</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,729,285</td>
<td>$2,070,172</td>
<td>$2,694,609</td>
<td>$2,853,467</td>
<td>$2,852,671</td>
<td>$2,813,324</td>
<td>$2,535,791</td>
<td>$2,274,614</td>
<td>$2,624,431</td>
<td>$3,028,674</td>
<td>$3,003,272</td>
<td>$1,292,718</td>
</tr>
<tr>
<td><strong>Op income margin</strong></td>
<td>6.7%</td>
<td>9.7%</td>
<td>11.3%</td>
<td>13.2%</td>
<td>14.5%</td>
<td>13.0%</td>
<td>12.8%</td>
<td>12.5%</td>
<td>14.4%</td>
<td>12.4%</td>
<td>12.4%</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Adjusted operating income margin:</strong></td>
<td>8.4%</td>
<td>9.8%</td>
<td>11.4%</td>
<td>13.6%</td>
<td>15.3%</td>
<td>14.9%</td>
<td>14.7%</td>
<td>14.0%</td>
<td>13.5%</td>
<td>13.4%</td>
<td>12.9%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures: Return on Invested Capital\(^1\)

($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income:</td>
<td>$48,576</td>
<td>$130,244</td>
<td>$217,186</td>
<td>$257,411</td>
<td>$293,780</td>
<td>$254,686</td>
<td>$127,478</td>
<td>$198,399</td>
<td>$247,503</td>
<td>$287,066</td>
<td>$293,109</td>
<td>$218,735</td>
</tr>
<tr>
<td>Special items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationalization and asset impairment charges / (gains)</td>
<td>29,897</td>
<td>(384)</td>
<td>282</td>
<td>9,354</td>
<td>8,463</td>
<td>30,053</td>
<td>19,958</td>
<td>-</td>
<td>6,590</td>
<td>25,285</td>
<td>15,188</td>
<td>40,105</td>
</tr>
<tr>
<td>(Gains) or losses on asset disposals</td>
<td>(5,667)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>705</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,554)</td>
<td>-</td>
</tr>
<tr>
<td>Loss associated with an acquisition</td>
<td>7,943</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on deconsolidation of Venezuela &amp; devaluation charges</td>
<td>-</td>
<td>3,123</td>
<td>-</td>
<td>1,381</td>
<td>12,198</td>
<td>21,133</td>
<td>27,214</td>
<td>34,348</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pension settlement loss (gain)</td>
<td>(2,144)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>142,738</td>
<td>-</td>
<td>8,150</td>
<td>6,686</td>
<td>$3,334</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>601</td>
<td>1,782</td>
<td>-</td>
<td>-</td>
<td>(1,068)</td>
<td>(805)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition transaction &amp; integration costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,002</td>
<td>4,498</td>
<td>1,804</td>
</tr>
<tr>
<td>Amortization of step in value of acquired inventories, net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,578</td>
<td>3,008</td>
<td>2,415</td>
</tr>
<tr>
<td>Gain on change in control</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(7,601)</td>
<td>(7,601)</td>
</tr>
<tr>
<td>Bargain purchase gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(49,650)</td>
<td>-</td>
</tr>
<tr>
<td>Tax effect of Special items</td>
<td>(6,108)</td>
<td>(5,165)</td>
<td>(4,889)</td>
<td>(2,387)</td>
<td>(890)</td>
<td>861</td>
<td>(57,204)</td>
<td>(8,293)</td>
<td>20,536</td>
<td>(6,896)</td>
<td>(9,374)</td>
<td>(9,374)</td>
</tr>
<tr>
<td>Adj. Net income:</td>
<td>$ 73,098</td>
<td>$ 129,600</td>
<td>$ 212,579</td>
<td>$ 265,759</td>
<td>$ 313,188</td>
<td>$ 305,928</td>
<td>$ 260,184</td>
<td>$ 224,454</td>
<td>$ 252,709</td>
<td>$316,639</td>
<td>$294,568</td>
<td>$247,614</td>
</tr>
<tr>
<td>Plus: Interest expense (after-tax)</td>
<td>5,293</td>
<td>4,156</td>
<td>4,164</td>
<td>2,597</td>
<td>1,767</td>
<td>6,439</td>
<td>13,469</td>
<td>11,775</td>
<td>14,947</td>
<td>18,386</td>
<td>19,465</td>
<td>19,348</td>
</tr>
<tr>
<td>Less: Interest income (after-tax)</td>
<td>2,150</td>
<td>1,479</td>
<td>1,938</td>
<td>2,471</td>
<td>2,049</td>
<td>1,909</td>
<td>1,675</td>
<td>1,291</td>
<td>2,955</td>
<td>5,206</td>
<td>1,896</td>
<td>1,691</td>
</tr>
<tr>
<td>Adjusted net income before tax effected interest</td>
<td>76,241</td>
<td>132,277</td>
<td>214,805</td>
<td>265,885</td>
<td>312,906</td>
<td>310,485</td>
<td>271,978</td>
<td>234,938</td>
<td>264,701</td>
<td>329,819</td>
<td>312,137</td>
<td>265,271</td>
</tr>
<tr>
<td>Invested Capital(^2)</td>
<td>1,209,392</td>
<td>1,247,183</td>
<td>1,296,620</td>
<td>1,378,596</td>
<td>1,549,775</td>
<td>1,356,435</td>
<td>1,287,073</td>
<td>1,417,799</td>
<td>1,638,720</td>
<td>1,590,252</td>
<td>1,566,348</td>
<td>1,425,525</td>
</tr>
<tr>
<td>ROIC:</td>
<td>6.3%</td>
<td>10.6%</td>
<td>16.6%</td>
<td>19.3%</td>
<td>20.2%</td>
<td>22.9%</td>
<td>21.1%</td>
<td>16.6%</td>
<td>16.2%</td>
<td>20.7%</td>
<td>19.9%</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

\(^1\) Return on Invested Capital is defined as rolling 12 months of Adjusted Net Income excluding tax-effected interest income and expense divided by Invested Capital.

\(^2\) Invested Capital is defined as Total Debt plus Total Equity.
### Non-GAAP Financial Measures: EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Net income:</td>
<td>$218,735</td>
</tr>
<tr>
<td>Income taxes</td>
<td>62,955</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>23,533</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>83,313</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>$388,536</strong></td>
</tr>
</tbody>
</table>

|                  | June 30, 2020                  | June 30, 2019                  |
| Total Debt       | $765,414                       | $740,568                       |
| Total debt / EBITDA | 1.97                         | 1.54                           |
## Non-GAAP Financial Measures

### Reconciliation of Diluted Earnings Per Common Share (EPS) to Non-GAAP Diluted Adjusted Net Earnings Per Common Share (Adjusted EPS)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$(0.04)</td>
<td>$0.18</td>
<td>$0.15</td>
<td>$0.29</td>
<td>$0.38</td>
</tr>
<tr>
<td>Q2</td>
<td>$0.28</td>
<td>$0.38</td>
<td>$0.38</td>
<td>$0.49</td>
<td>$0.55</td>
</tr>
<tr>
<td>Q3</td>
<td>$0.55</td>
<td>$0.68</td>
<td>$0.66</td>
<td>$0.68</td>
<td>$0.76</td>
</tr>
<tr>
<td>Q4</td>
<td>$0.76</td>
<td>$0.79</td>
<td>$0.77</td>
<td>$0.74</td>
<td>$0.80</td>
</tr>
</tbody>
</table>

**Diluted EPS:**

- **Special items:**
  - Rationalization and asset impairment charges / (gains): 0.09, 0.08, 0.07, 0.04
  - Pension settlement gain: - (0.02), -
  - (Gains) or losses on asset disposals: - 0.02, -
  - Discrete tax item: -
  - Venezuela devaluation & deconsolidation charges: - 0.03, 0.01

**Adjusted Diluted EPS:** $0.05, $0.17, $0.32, $0.32

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$0.69</td>
<td>$0.96</td>
<td>$0.57</td>
<td>$0.96</td>
</tr>
<tr>
<td>Q2</td>
<td>$0.89</td>
<td>$0.94</td>
<td>$0.82</td>
<td>$0.68</td>
</tr>
<tr>
<td>Q3</td>
<td>$0.76</td>
<td>$0.89</td>
<td>$0.81</td>
<td>$0.84</td>
</tr>
<tr>
<td>Q4</td>
<td>$0.84</td>
<td>$0.92</td>
<td>$1.59</td>
<td>$0.36</td>
</tr>
</tbody>
</table>

**Diluted EPS:**

- **Special items:**
  - Rationalization and asset impairment charges / (gains): - 0.01, 0.37
  - Acquisition transaction and integration costs: -
  - Bargain purchase gain: -
  - Venezuela devaluation & deconsolidation charges: 0.22, 0.04
  - Pension settlement charges: - 1.71
  - Discrete tax item: -
  - Tax effect of Special items: -

**Adjusted Diluted EPS:** $0.91, $1.01, $0.94, $0.96
### Non-GAAP Financial Measures

**Reconciliation of Diluted Earnings Per Common Share (EPS) to Non-GAAP Diluted Adjusted Net Earnings Per Common Share (Adjusted EPS)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diluted EPS:</strong></td>
<td>$0.92</td>
<td>$1.04</td>
<td>$1.07</td>
<td>$1.35</td>
<td>$1.12</td>
<td>$1.36</td>
<td>$1.17</td>
<td>$1.03</td>
<td>$0.91</td>
<td>$0.45</td>
</tr>
<tr>
<td><strong>Special Items:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationalization and asset impairment charges</td>
<td>0.12</td>
<td>0.17</td>
<td>0.04</td>
<td>0.01</td>
<td>0.05</td>
<td>0.02</td>
<td>0.02</td>
<td>0.14</td>
<td>0.11</td>
<td>0.31</td>
</tr>
<tr>
<td>Acquisition transaction and integration costs</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bargain purchase gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>0.01</td>
<td>-</td>
<td>0.07</td>
<td>0.03</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Amortization of step up in value of acquired inventories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td>0.03</td>
<td>-</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>(Gains) or losses on asset disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.06)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on change of control</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax effect of Special items</td>
<td>0.03</td>
<td>-</td>
<td>0.02</td>
<td>(0.11)</td>
<td>(0.01)</td>
<td>(0.07)</td>
<td>(0.01)</td>
<td>(0.02)</td>
<td>(0.03)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted Diluted EPS:</strong></td>
<td>$1.10</td>
<td>$1.22</td>
<td>$1.21</td>
<td>$1.29</td>
<td>$1.17</td>
<td>$1.28</td>
<td>$1.09</td>
<td>$1.15</td>
<td>$1.00</td>
<td>$0.80</td>
</tr>
</tbody>
</table>
Adjusted EPS excludes special items. Please refer to the appendix for a reconciliation of non-GAAP financial measures.