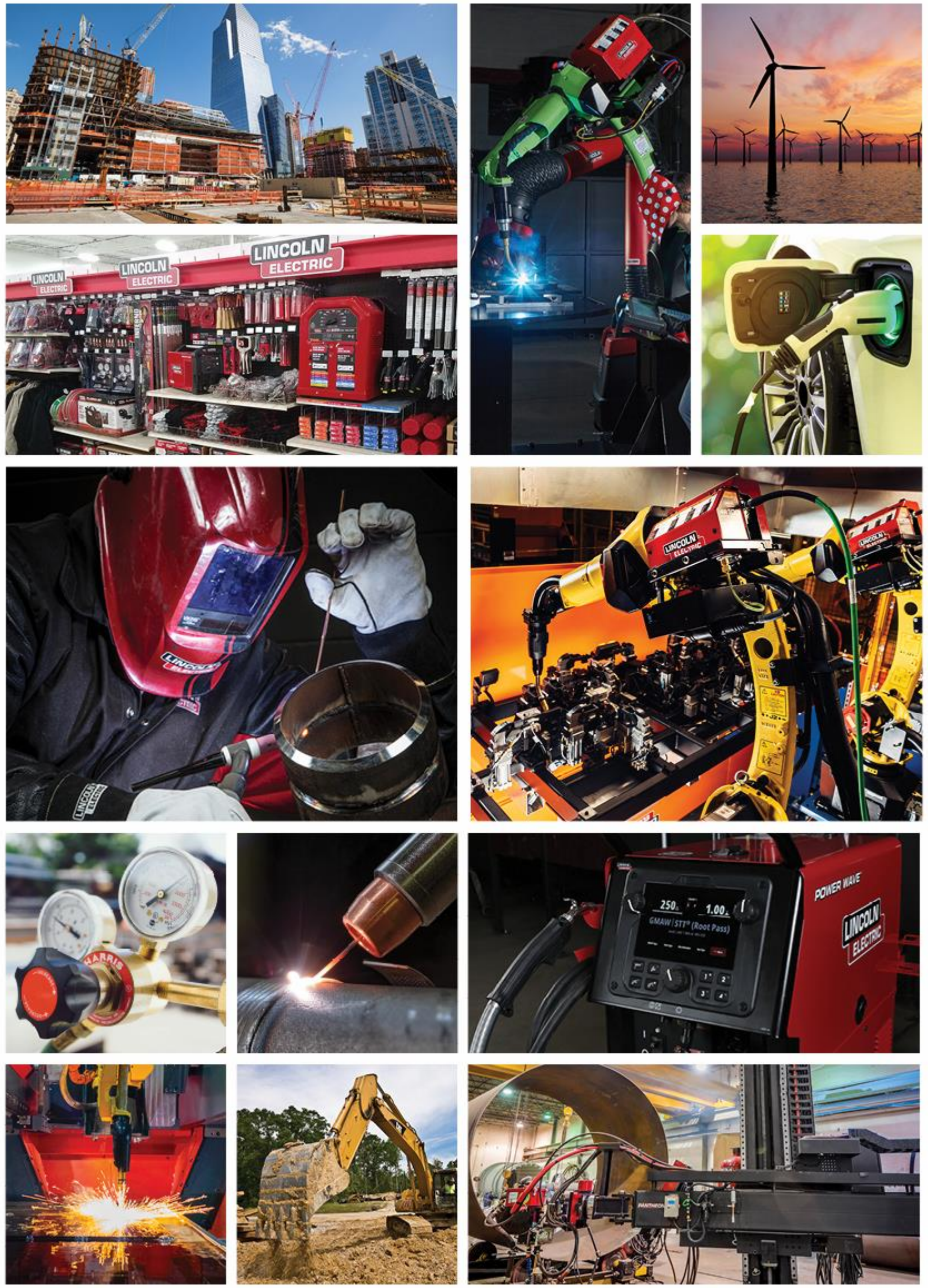
February 10, 2022

LINCOLN ELECTRIC HOLDINGS, INC.

Q4 & FY2021 Earnings



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.

Full Year 2021 Highlights:

Record Sales, Adjusted EPS & ROIC due to strong underlying demand and solid commercial and operational execution under challenging operating conditions

$3.2B

Reported sales increased 22% to record $3.2 billion; Organic sales increased 19%

23.9%

Record ROIC +620 bps vs. prior year

14.8%

Adjusted Operating Income Margin +240 bps vs. prior year to 14.8%

$365M

Cash flow from operations of $365 million

$6.22

Diluted EPS of $4.60, Adjusted EPS increased 50% to record $6.22

$286M

Returned $286 million to shareholders (dividends and share repurchases)

Solid Momentum in the Fourth Quarter

Q4 Organic sales increase 19% with record backlogs

All regions grew ex-Asia Pac and all product areas increased

Consumables up low-20 percent

Equipment up high-teens percent

Automation up low double-digit percent

Q4 global end sector performance[1]

All end market sectors grew

Construction/Infrastructure sector increased mid-30 percent

Heavy Industries and Energy increased low-to-mid teens percent

Automotive/Transportation and General Industries increased high single digit percent

[1] End sector performance reflects direct channel organic sales trends and excludes automation.

Income Statement – Q4 2021

$ in Millions	Q4 2021	% of Sales	Q4 2020	% of Sales	YoY % Change *Fav/ (Unfav)*
Net Sales	$ 844.3		$ 693.8		21.7%
Gross Profit	272.7	32.3%	229.3	33.0%	18.9%
SG&A	150.8	17.9%	136.4	19.7%	(10.6)%
Special item charges[1,2]	1.8	0.2%	9.5	1.4%	(80.7)%
Operating Income	120.3	14.3%	83.4	12.0%	44.2%
Adjusted Operating Income[1]	$ 122.2	14.5%	$ 92.9	13.4%	31.5%
Interest Expense, net[3]	5.5	0.6%	5.1	0.7%	(7.8)%
Effective Tax Rate	(4) %		19.8 %		NM
Adjusted Effective Tax Rate[4]	19.7 %		18.7 %		(100)bps
Net Income	$ 74.4	8.8%	$ 65.1	9.4%	14.4%
Special Items[5]	21.8	2.6%	9.9	1.4%	119.6%
Adjusted Net Income[1]	$ 96.2	11.4%	$ 75.0	10.8%	28.3%
Diluted EPS	$ 1.25		$ 1.08		15.7%
Adjusted Diluted EPS[1]	$ 1.61		1.24		29.8%

Q4 2021 SALES MIX[6]

Volume	5.6%	**Price**	13.4%	**Acq/Div**	4.7%	**FX**	(2.0)%
TOTAL	**21.7%**						

[1] Please review the appendix for reconciliation of non-GAAP measures.
[2] Q4 Special items include Rationalization and asset impairment charges of $1.6 million and Amortization of step up in value of acquired inventories of $0.3 million. This compares with Rationalization and asset impairment charges of $9.5 million in 2020.
[3] Interest Expense, net is defined as interest income earned from investments less interest expense from borrowings.
[4] Q4 Adjusted effective tax rate reflects a 23.7% impact in 2021 and a (1.1)% impact in 2020 from special items.
[5] Q4 Special items include the charges noted in footnote 2 and a $46.4 million pension settlement charge and a $26.5 million tax effect of Special items in 2021 and a $1.6 million pension settlement charge and $1.1 million tax effect of Special items in 2020.
[6] Figures may not sum due to rounding.

Americas Welding Segment

($ in Millions)	Q4 2021	Q4 2020	% YoY Change
Net Sales	$ 480.3	$ 386.6	24.2% ⬆
Adjusted EBIT	$ 83.7	$ 69.2	21.0% ⬆
Adjusted EBIT Margin[2]	16.4%	16.7%	(30) bps ⬇

Q4 2021 SALES MIX[1]							
Volume	9.3%	**Price**	14.6%	**Acq/Div**	—	**FX**	0.3%
TOTAL	**24.2%**						

Volumes higher as end markets continue to recover with demand strong across all product areas.

Price reflects actions taken to mitigate inflation.

Margin impacted by a $14M LIFO charge.

[1] Figures may not sum due to rounding.
[2] Adjusted EBIT Margin is calculated using Total Sales, which includes Inter-segment sales.

International Welding Segment

($ in Millions)	Q4 2021	Q4 2020	% YoY Change
Net Sales	$ 245.5	$ 214.8	14.3%
Adjusted EBIT	$ 28.4	$ 15.3	86.0%
Adjusted EBIT Margin[2]	11.2%	6.9%	+430 bps

Q4 2021 SALES MIX[1]							
Volume	(0.8)%	**Price**	13.9%	**Acq/Div**	8.2%	**FX**	(6.9)%
TOTAL	**14.3%**						

Volumes compress slightly on lower production activity in Asia Pacific end markets.

Price reflects actions taken to mitigate inflation.

Margins improved substantially from benefits of prior cost reduction actions.

[1] Figures may not sum due to rounding.
[2] Adjusted EBIT Margin is calculated using Total Sales, which includes Inter-segment sales.

The Harris Products Group

($ in Millions)	Q4 2021	Q4 2020	% YoY Change
Net Sales	$ 118.5	$ 92.4	28.1%
Adjusted EBIT	$ 15.6	$ 13.4	16.4%
Adjusted EBIT Margin[2]	12.9%	14.2%	(130) bps

Q4 2021 SALES MIX[1]

Volume	5.4%	**Price**	7.0%	**Acq/Div**	16.3%	**FX**	(0.5)%
TOTAL	**28.1%**						

Volumes higher on HVAC and industrial sector demand.

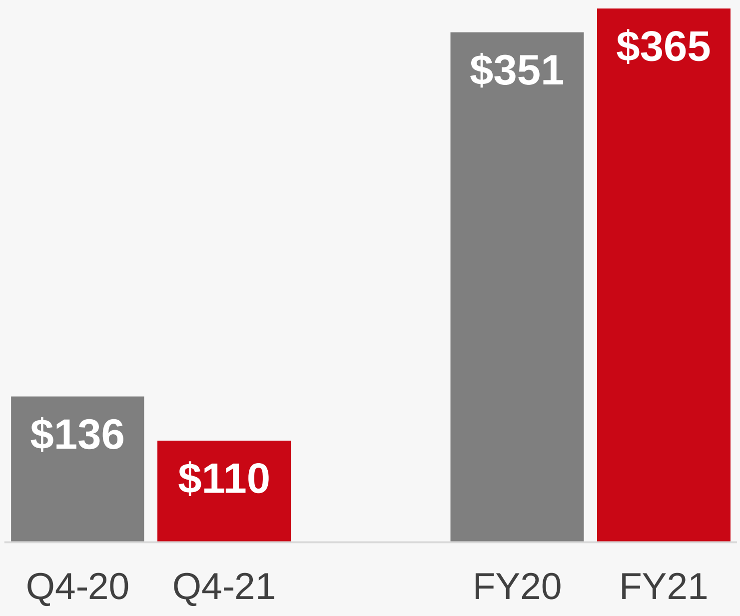
Price reflects higher costs and pricing actions.

Margins continue to be temporarily impacted during the integration of the acquisition.

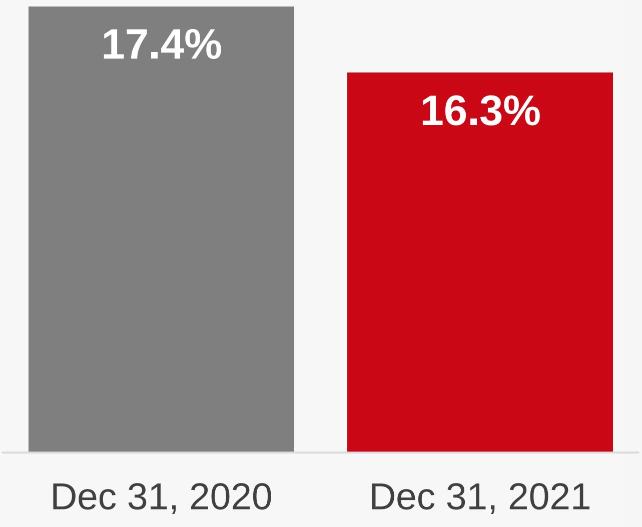
[1] Figures may not sum due to rounding
[2] Adjusted EBIT Margin is calculated using Total Sales, which includes Inter-segment sales.

Cash Flow From Operations Metrics

Cash Flow from Operations
($ in Millions)



Average Operating Working Capital to Net Sales Ratio



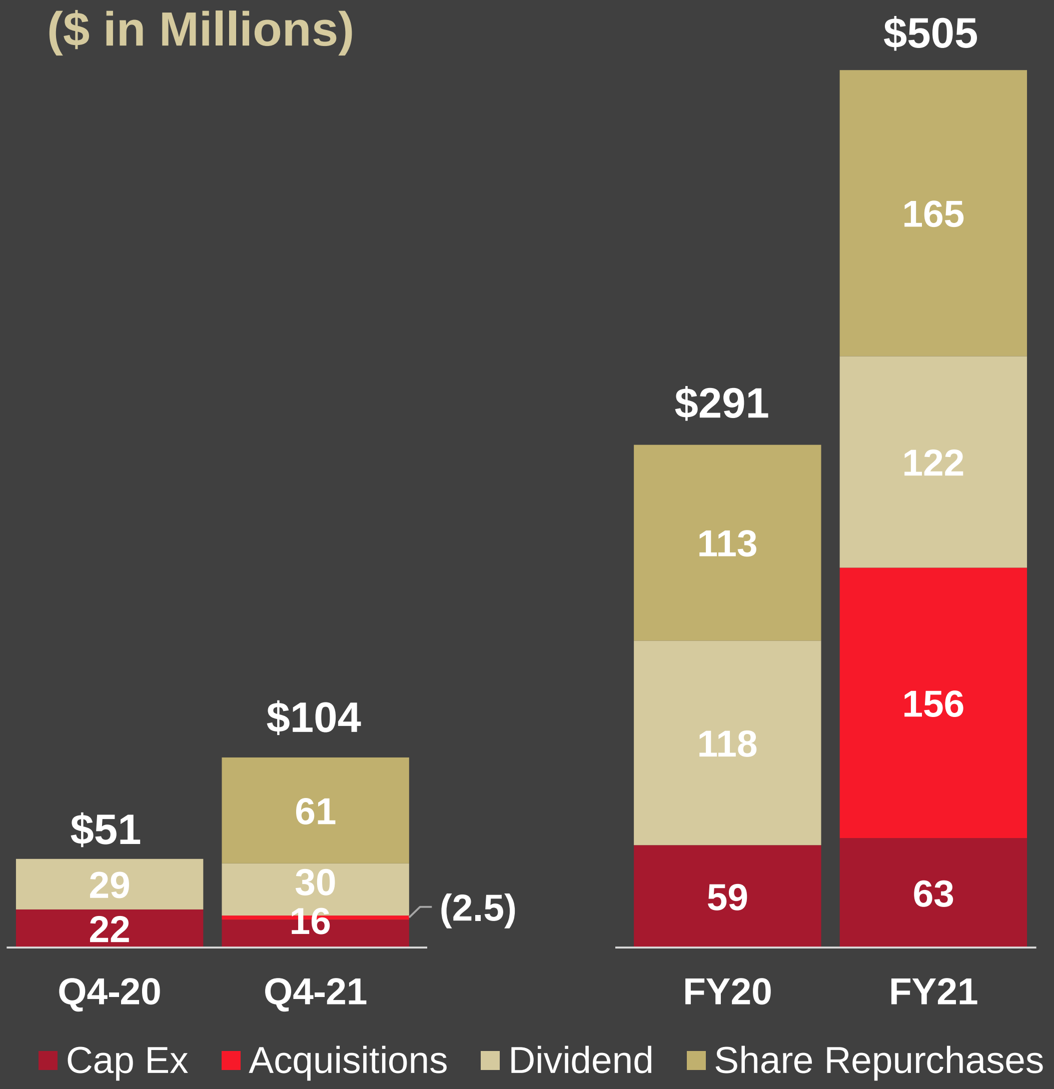
Solid Q4 cash flow generation with 98% cash conversion.

Working capital continues to be strategically elevated to service demand.

[1] Cash conversion is defined as Net cash provided by operating activities less Capital expenditures divided by Adjusted Net income.

Capital Allocation[1]

($ in Millions)



[1] Figures may not sum due to rounding

Q4 Capital Allocation & Returns

Growth: Cap Ex $16 million

Return to Shareholders: $91 million

Dividend Rate Increase: +9.8%

Record Return on Invested Capital: 23.9%

Capital Allocation Outlook

Prioritized uses of cash:

Growth investments (organic and M&A)

Dividend

Share repurchases

Expecting Continued Recovery in 2022

Assumptions

High single-digit to low double-digit percent organic sales growth

Neutral price/cost

Low-to-mid 20% incremental margin

Low 20% tax rate

$70 to $80 million in cap-ex

~90% cash conversion

Risks

Supply and labor availability

Inflation (raw materials & labor)

COVID pandemic

Accelerating Growth in a Favorable Industrial Cycle

HIGHER STANDARD™
2025 STRATEGY

Accelerate growth: innovation, automation, additive, and M&A

Increase profitability: +200 bps to average adjusted operating income margin vs. last cycle on operational excellence

Maintain high-performing ROIC and working capital performance

Advance ESG initiatives

Increasing Our 2025 Targets

(From a 2020 baseline)

Sales CAGR: High Single-Digit to Low Double-Digit %

Avg. Adj. Op Income Margin: 16% (+/- 150 bps)

Segment Adj. EBIT Margin Ranges:

Americas Welding: 17% - 19%
International Welding: 12% - 14%
Harris Products Group: 13% - 15%

Adj. EPS CAGR: High-Teens to Low-20%

Avg. ROIC: 18% - 20% (top quartile)

Avg. Op Working Capital: 15% (top decile)

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Non-GAAP Information

Adjusted operating income, Adjusted net income, Adjusted EBIT, Adjusted effective tax rate, Adjusted diluted earnings per share, Organic sales, Cash conversion, and Return on invested capital are non-GAAP financial measures.

Management uses non-GAAP measures to assess the Company's operating performance by excluding certain disclosed special items that management believes are not representative of the Company's core business. Management believes that excluding these special items enables them to make better period-over-period comparisons and benchmark the Company's operational performance against other companies in its industry more meaningfully. Furthermore, management believes that non-GAAP financial measures provide investors with meaningful information that provides a more complete understanding of Company operating results and enables investors to analyze financial and business trends more thoroughly. Non-GAAP financial measures should not be viewed in isolation, are not a substitute for GAAP measures and have limitations including, but not limited to, their usefulness as comparative measures as other companies may define their non-GAAP measures differently.

Non-GAAP Financial Measures

Non-GAAP Financial Measures:

Reconciliation of Operating Income, Net Income, Effective Tax Rate, and EPS to Non-GAAP Adjusted Operating Income, Adjusted Net Income, Adjusted Effective Tax Rate, and Adjusted EPS

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

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Operating income as reported	$ 120,349	$ 83,440	$ 461,669	$ 282,071
Special items (pre-tax):				
Rationalization and asset impairment charges [2]	1,550	9,452	9,827	45,468
Acquisition transaction costs [3]	—	—	1,923	—
Amortization of step up in value of acquired inventories [4]	273	—	5,804	806
Adjusted operating income [1]	$ 122,172	$ 92,892	$ 479,223	$ 328,345
As a percent of total sales	14.5 %	13.4 %	14.8 %	12.4 %
Net income as reported	$ 74,427	$ 65,078	$ 276,466	$ 206,115
Special items:				
Rationalization and asset impairment charges [2]	1,550	9,452	9,827	45,468
Acquisition transaction costs [3]	—	—	1,923	—
Pension settlement charges [5]	46,404	1,597	126,502	8,119
Amortization of step up in value of acquired inventories [4]	273	—	5,804	806
Tax effect of Special items [6]	(26,451)	(1,131)	(47,188)	(10,594)
Adjusted net income [1]	96,203	74,996	373,334	249,914
Non-controlling interests in subsidiaries' income (loss)	(17)	(8)	114	29
Interest expense, net	5,478	5,082	22,214	21,973
Income taxes as reported	(2,841)	16,062	48,418	57,896
Tax effect of Special items [6]	26,451	1,131	47,188	10,594
Adjusted EBIT [1]	$ 125,274	$ 97,263	$ 491,268	$ 340,406
Effective tax rate as reported	(4.0)%	19.8 %	14.9 %	21.9 %
Net special item tax impact	23.7 %	(1.1)%	5.5 %	(0.4)%
Adjusted effective tax rate [1]	19.7 %	18.7 %	20.4 %	21.5 %
Diluted earnings per share as reported	$ 1.25	$ 1.08	$ 4.60	$ 3.42
Special items per share	0.36	0.16	1.62	0.73
Adjusted diluted earnings per share [1]	$ 1.61	$ 1.24	$ 6.22	$ 4.15
Weighted average shares (diluted)	59,637	60,301	60,062	60,248

Please see the following slide for corresponding footnotes

Non-GAAP Financial Measures

(continued)

Footnotes for Non-GAAP Financial Measures:

Reconciliation of Operating Income, Net Income, Effective Tax Rate, and EPS to Non-GAAP Adjusted Operating Income, Adjusted Net Income, Adjusted Effective Tax Rate, and Adjusted EPS

1. Adjusted operating income, Adjusted net income, Adjusted EBIT, Adjusted effective tax rate and Adjusted diluted earnings per share are non-GAAP financial measures. Refer to Non-GAAP Information section.
2. Primarily related to severance and gains or losses on the disposal of assets and asset impairments of long-lived assets.
3. Related to acquisitions and are included in Selling, general & administrative expenses.
4. Related to acquisitions and are included in Cost of goods sold.
5. Settlement charges related to lump sum pension payments and annuity purchase associated with the termination of a pension plan and are included in Other income (expense).
6. Includes the net tax impact of Special items recorded during the respective periods.

   The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

Non-GAAP Financial Measures

Return on Invested Capital (ROIC)

(In thousands)
(Unaudited)

Return on Invested Capital	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Net income as reported	$ 276,466	$ 206,115
Rationalization and asset impairment charges	9,827	45,468
Acquisition transaction costs	1,923	—
Pension settlement charges	126,502	8,119
Amortization of step up in value of acquired inventories	5,804	806
Tax effect of Special items [2]	(47,188)	(10,594)
Adjusted net income [1]	$ 373,334	$ 249,914
Plus: Interest expense, net of tax of $5,987 and $6,026 in 2021 and 2020, respectively	17,794	17,933
Less: Interest income, net of tax of $395 and $500 in 2021 and 2020, respectively	1,172	1,486
Adjusted net income before tax-effected interest	$ 389,956	$ 266,361
Invested Capital	**December 31, 2021**	**December 31, 2020**
Short-term debt	$ 52,730	$ 2,734
Long-term debt, less current portion	717,089	715,456
Total debt	769,819	718,190
Total equity	863,909	790,250
Invested capital	$ 1,633,728	$ 1,508,440
Return on invested capital [1]	23.9 %	17.7 %

1. Adjusted net income and Return on invested capital are non-GAAP financial measures. Refer to Non-GAAP Information section.
2. Includes the net tax impact of Special items recorded during the respective periods. The tax effect of Special items impacting pre-tax income was calculated as the pre-tax amount multiplied by the applicable tax rate. The applicable tax rates reflect the taxable jurisdiction and nature of each Special item.

Segment EBIT

EBIT and Adjusted EBIT Reconciliation – Three Months Ended December 31, 2021

(In thousands)
(Unaudited)

	Americas Welding	International Welding	The Harris Products Group	Corporate / Eliminations	Consolidated
Three months ended December 31, 2021					
Net sales	$ 480,263	$ 245,529	$ 118,459	$ —	$ 844,251
Inter-segment sales	30,657	8,071	1,720	(40,448)	—
Total sales	$ 510,920	$ 253,600	$ 120,179	$ (40,448)	$ 844,251
Net income					$ 74,427
As a percent of total sales					8.8 %
EBIT [1]	$ 40,258	$ 26,824	$ 12,320	$ (2,355)	$ 77,047
As a percent of total sales	7.9 %	10.6 %	10.3 %		9.1 %
Special items charges (gains) [3]	43,450	1,539	3,238	—	48,227
Adjusted EBIT [2]	$ 83,708	$ 28,363	$ 15,558	$ (2,355)	$ 125,274
As a percent of total sales	16.4 %	11.2 %	12.9 %		14.8 %
Three months ended December 31, 2020					
Net sales	$ 386,571	$ 214,782	$ 92,441	$ —	$ 693,794
Inter-segment sales	27,734	4,827	1,658	(34,219)	—
Total sales	$ 414,305	$ 219,609	$ 94,099	$ (34,219)	$ 693,794
Net income					$ 65,078
As a percent of total sales					9.4 %
EBIT [1]	$ 68,456	$ 4,949	$ 13,362	$ (553)	$ 86,214
As a percent of total sales	16.5 %	2.3 %	14.2 %		12.4 %
Special items charges (gains) [4]	748	10,301	—	—	11,049
Adjusted EBIT [2]	$ 69,204	$ 15,250	$ 13,362	$ (553)	$ 97,263
As a percent of total sales	16.7 %	6.9 %	14.2 %		14.0 %

Please see the following slide for corresponding footnotes

Non-GAAP Financial Measures

(continued)

Footnotes for EBIT and Adjusted EBIT Reconciliation – Three Months Ended December 31, 2021

1. EBIT is defined as Operating income plus Other income (expense).
2. The primary profit measure used by management to assess segment performance is Adjusted EBIT. EBIT for each operating segment is adjusted for special items to derive Adjusted EBIT.
3. Special items in 2021 reflect Rationalization and asset impairment charges of $1,550 primarily in International Welding, pension settlement charges of $43,439 and $2,965 in Americas Welding and The Harris Products Group, respectively, and amortization of the step up in value of acquired inventories of $273 in The Harris Products Group, related to acquisitions.
4. Special items in 2020 reflect Rationalization and asset impairment charges of ($849) and $10,301 in Americas Welding and International Welding, respectively, and pension settlement charges of $1,597 in Americas Welding.