

Actuant Corporation

2017 Investor Day

October 5, 2017
Hilton New York

Actuant

ATU
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NYSE

Safe Harbor

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All estimates of future performance are as of September 27, 2017. Actuant’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 slides at the end of the Q4 earnings deck, or the Q4 earnings release contained within the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.

Agenda

Time	Activity	Participants	Detail
10:00am	Kick-Off Introductions	Bauer	Welcome/Agenda/Format
10:15-11:30	Various Topics	Baker Dillon	Vision / Strategy Updates Business Model / Capital Allocation
11:30-Noon	Break / Buffet Lunch	All	
12:00-12:30	Table 1 Rotation	All	Q&A
12:35-1:05	Table 2 Rotation	All	Q&A
1:10-1:40	Table 3 Rotation	All	Q&A
1:45-2:15	Table 4 Rotation	All	Q&A
2:15-2:30	Summary / Wrap-Up Q&A	Baker	Wrap- Up / Final Q&A

Actuant Q&A Room Attendees

Rotational Room Assignments Provided to Each Attendee (back of name badge)

Industrial (Murray Hill A)

Jim McTaggart

Art Donaldson

Chris Kolbe

Karen Bauer

Energy (Murray Hill B)

Randy Baker

Matt Baisley

Syed Taqvi

Engineered Solutions (Gramercy B)

Roger Roundhouse

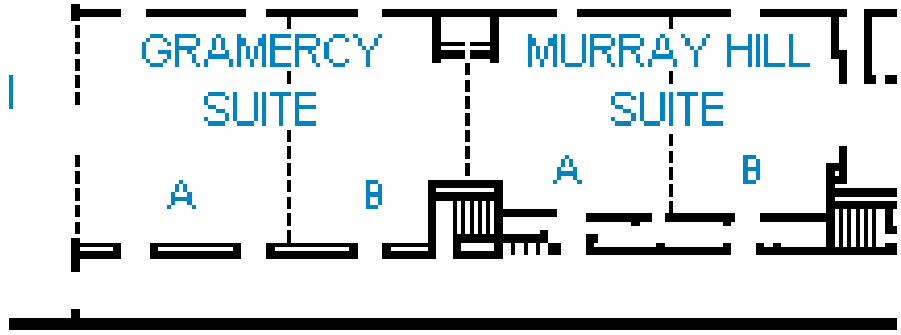
John Thomas

Corporate/M&A (Gramercy A)

Rick Dillon

Ted Wozniak

Andre' Williams



Bio's in Appendix



Strategy Overview and Progress Report

Randy Baker

Actuant

Key Takeaways for Today

- We are in the second inning of a long game – we are proud of what has been accomplished, but recognize there is much work to do
- We are reinvigorating organic growth - becoming more commercially focused
- We are creating a more efficient company by improving our execution and reducing structural costs
- We believe our refined 2021 Vision is attainable
- We anticipate that GDP growth will remain modest in 2018 and as well as through 2021

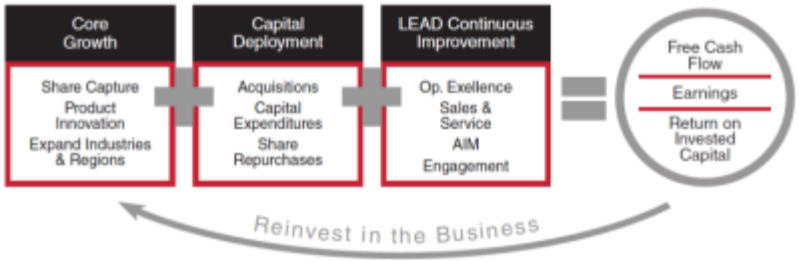
Actuant Is On Track For Significant Structural Improvement

Vision / Values / Business Model

OUR VISION

Providing customers with the mission critical tools, systems and services that enable safe and productive solutions, while earning superior returns for Actuant shareholders.

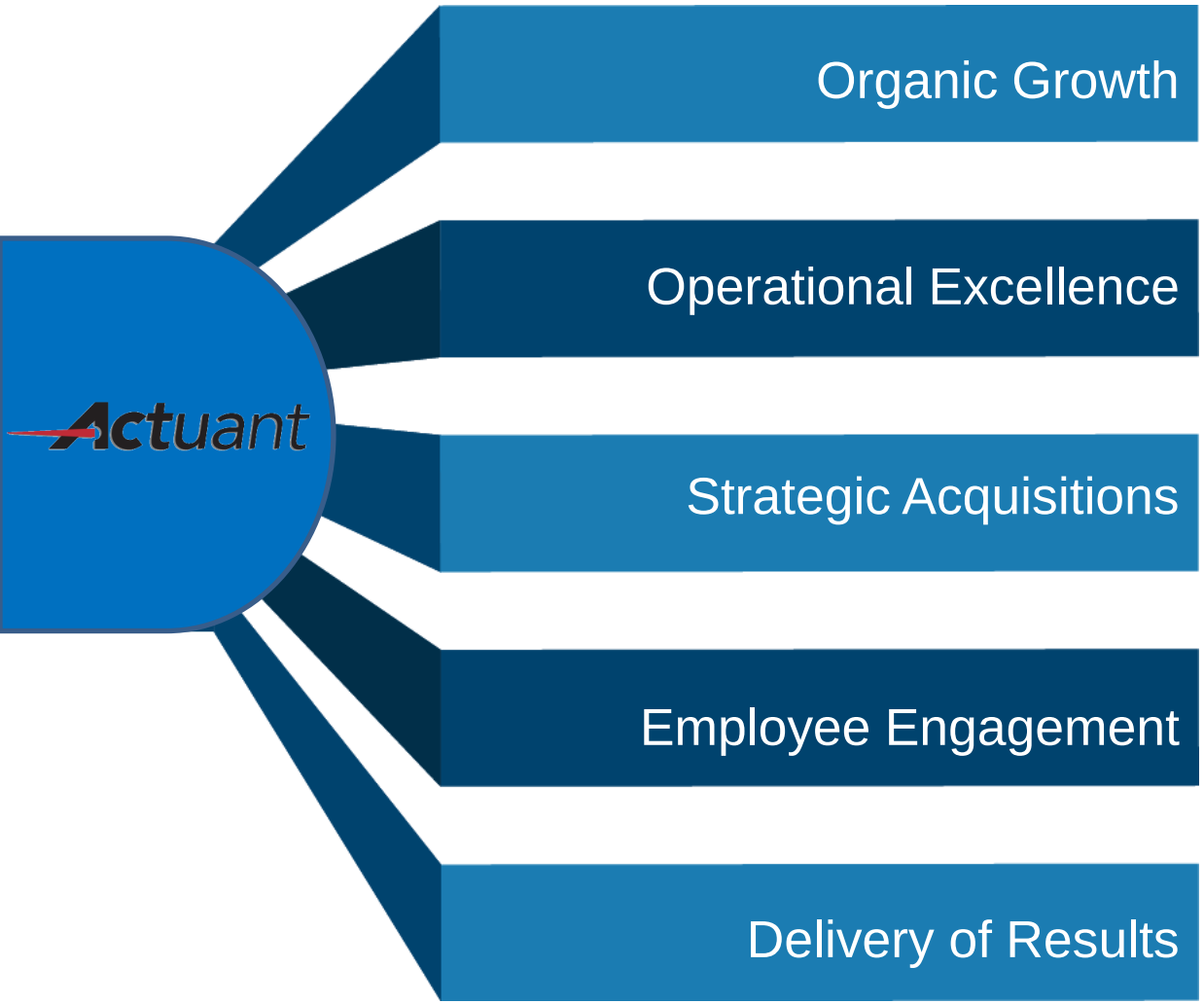
OUR BUSINESS MODEL



OUR VALUES



Our Pathways to Growth Remain Unchanged



Expand industries and regions
Commercial effectiveness and share capture
Product innovation

Drive Lean principles
***Goal Zero* safety**
Optimized cost position

Expand product lines
Increase global coverage
Acquire complementary services

Performance culture
Build core competencies
Reward success

Reliable growth
Meet commitments
Superior shareholder returns

Actuant 5 Year Growth Plan - Status



Core growth above market

- Expand industries and regions
- Commercial effectiveness & share capture
- Product innovation



Driving world-class operations and service

- Full deployment of Actuant LEAD systems
- Goal Zero – safety
- Optimized cost position



Disciplined capital deployment

- Organic growth: products, services & people
- Strategic acquisitions
- Opportunistic share repurchases



Best-in-class shareholder returns

- Base business margin expansion
- 100%+ free cash flow conversion
- Targeting 15-20% Five-Year EPS CAGR

10% Total Sales CAGR with Core Sales Growth > Market



$600+ Million FCF = Acquisition Capital

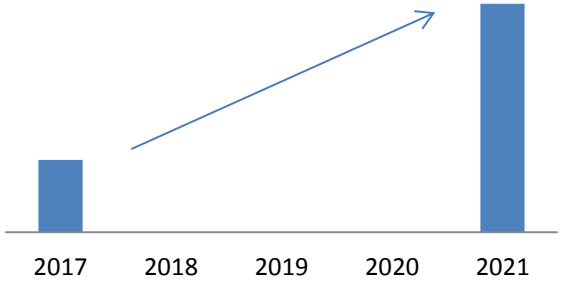


EBITDA Margins ~20% by 2021



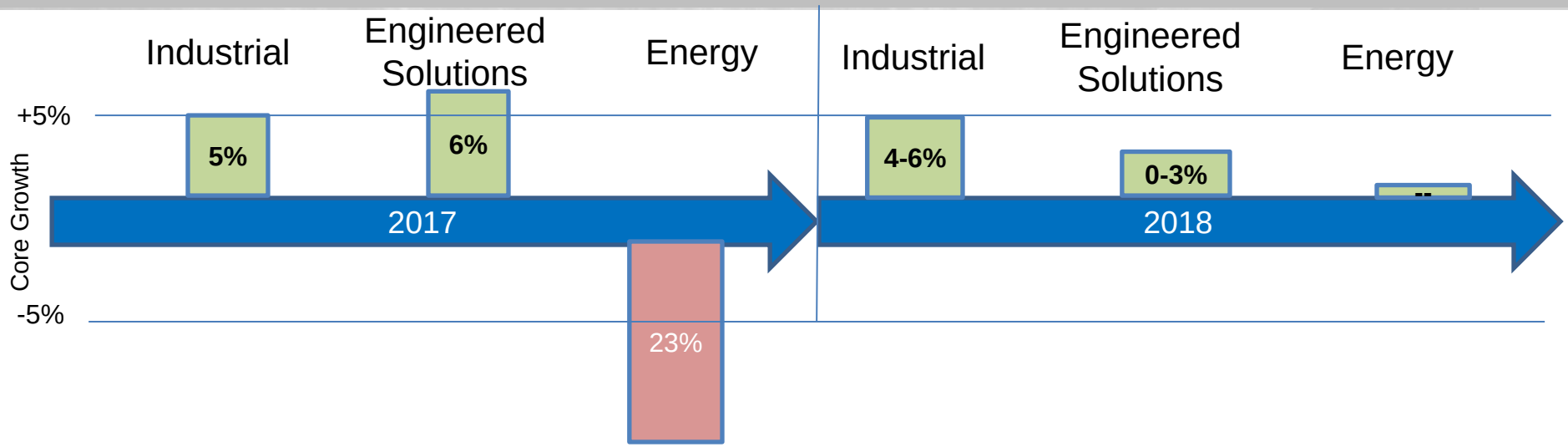
EPS Growth 15-20% CAGR





Actuant

Journey to a High Performance Enterprise



- ✓ Commercial performance
- ✓ Regional / market coverage expansion
- ✓ Engineering / new product development
- ✓ Cost reductions / margin expansion
- ✓ Organization enhancements
- ✓ Lean manufacturing deployment
- ✓ Portfolio improvements

Primary focus Organic Growth

- Engrain commercial effectiveness
- New product introductions
- Lean across all manufacturing / service sites
- Culture of performance
- Portfolio additions and optimization

Blending Organic and Acquired Growth

Leadership Structure Realignment



Baker - CEO

TBD
Energy/Industrial



Dillon - CFO



Roundhouse-ES



Williams-HR



Wozniak-Corp
Development

- Leadership consolidation to enhance speed/decision making and leverage segment infrastructure
- Streamline organizational effectiveness
- Mix of new and existing talent with fresh perspectives to drive results

New to role

Organization and Talent

Progress Update



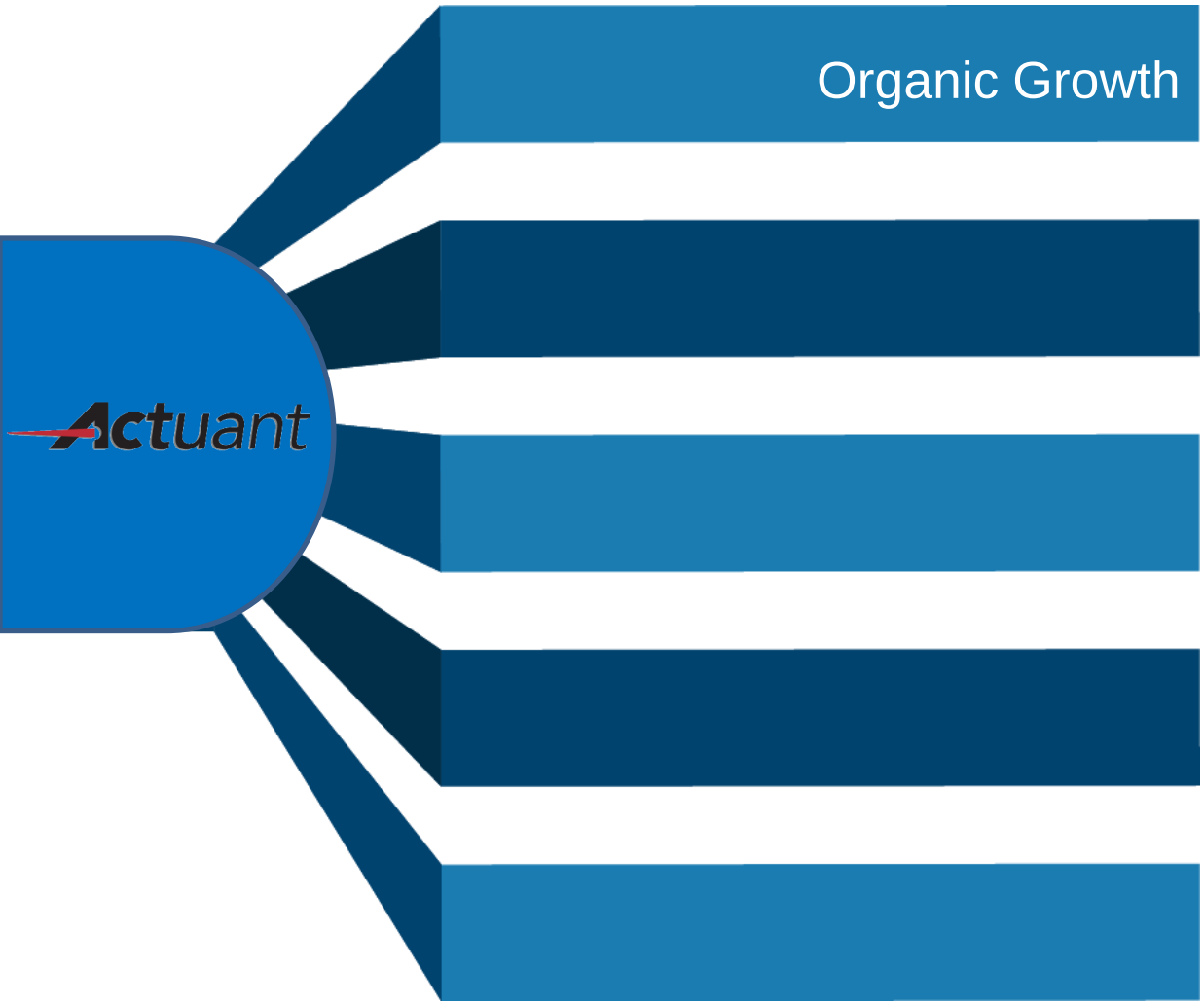
- Vision/Values/Leadership expectations launched
- Sales trackers across all businesses
- Engineering talent rebuild
- CEO to Shop Floor bonus alignment – clear expectations and results tracking
- Engagement and voluntary turnover improving

Future Actions



- Leverage and upgrade leadership - consolidation of segments
- 2018 formal engagement survey (18 month assessment of change)
- Measured and targeted adds in sales and engineering as performance warrants
- Training – Lean and leadership focused

Top Priority – Invest in Ourselves



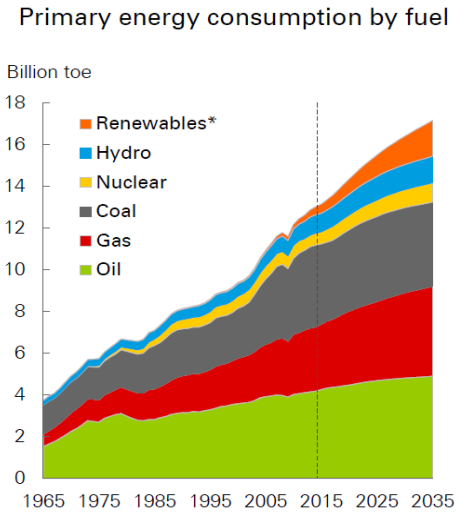
Expand industries and regions

Commercial effectiveness and share capture

Product innovation

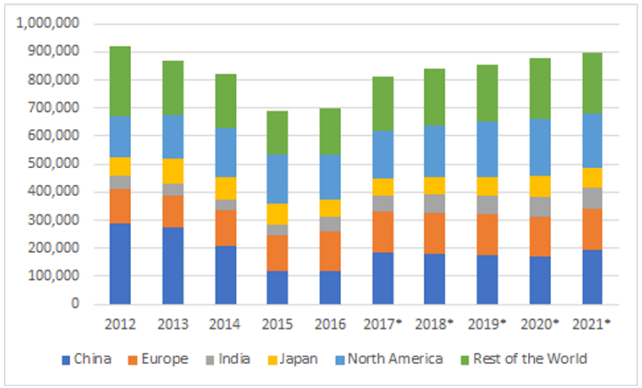
Economic Back Drop – Slow Growth

Energy



- Broad based long term demand growth
  - Oil
  - Gas
  - Renewables
- Pent up maintenance needs
- Focus on highest growth geographic regions
- Well positioned across energy verticals

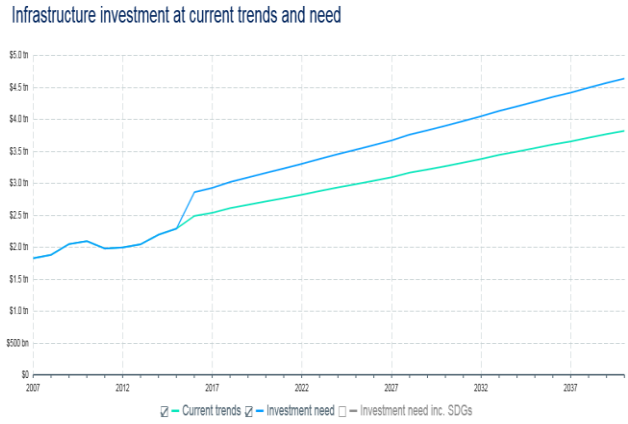
On & Off-Highway



Global construction equipment

- Long term positive drivers
  - Global population growth
  - Higher incomes
  - Urbanization
- Recent improvements in demand due to
  - Balanced new/used inventories
  - Commodity/mining activity
  - Stabilized farm income

Infrastructure



Global infrastructure – Oxford Economics - $94T Investment

- General industrial activity
- Globalization
- Safety – mission critical solutions
- Delayed / deferred maintenance

Fiscal 2017 Core Growth Above Market - Metrics

Primary End Market	ATU Core Sales	"Market" Growth Rate(1)	"Market" Estimate (1)	
Industrial Tools	~6%	~2-3%	Cleveland Research, GWW, KMT, PH, SWK, Atlas Copco	✓
Energy MRO (ex prior year large projects)	~(9%)	~(15-20%)	TISI Mech Svcs, Petrofac Eng & Prod Svcs	+/-
Energy – Offshore/Capex	~(40%)	~(25%)	OII, SLB, TechnipFMC, SeaDrill	+/-
Agriculture	~2%	~flat%	AGCO, CNH, DE Ag & Turf	✓
HD Truck	~19%	~10%	Volvo, Scania, DAF, Wabco	✓
Off-Highway Equip	~8%	~5%	CAT CE, Volvo CE, CNH, DE Forestry, ETN Hydraulics	✓

Commercial Effectiveness Actions are Delivering Results

(1) Market estimate based on core growth in sales/deliveries or production, as applicable and reported by the company/segment utilizing TTM Q2 2017 or latest available results

Energy Growth Plan - Snapshot

Strategy	Progress Update



Product/Service Range Expansion

- Integrity assurance and verification
- Specialty services
- Heavy lifting and testing services



Regional Penetration

- Focus on high growth energy regions (Middle East, Africa, Caspian, SE Asia, Mexico)
- Op-ex sector and downstream market share



Expanding Served Industries

- Medical - leverage core competency in high performance fibers
- Power Gen - grow nuclear and wind market product sales
- Aerospace - leverage Sweeney brand to expand product sales



Driving World-class Operations and Service

- Reinforce common safety culture across segment
- Continuous improvement in asset/manpower management, quality, and delivery

Energy Growth Plan – Status Update

Progress Update



- Actions to limit the more cyclical offshore/upstream exposure
- New product organization and focus
- Product line and services expansion
- Globalization efforts with new regional lead in AsiaPac, growth in Africa
- Cortland growth of non-oil & gas - sales up 13% in 2017

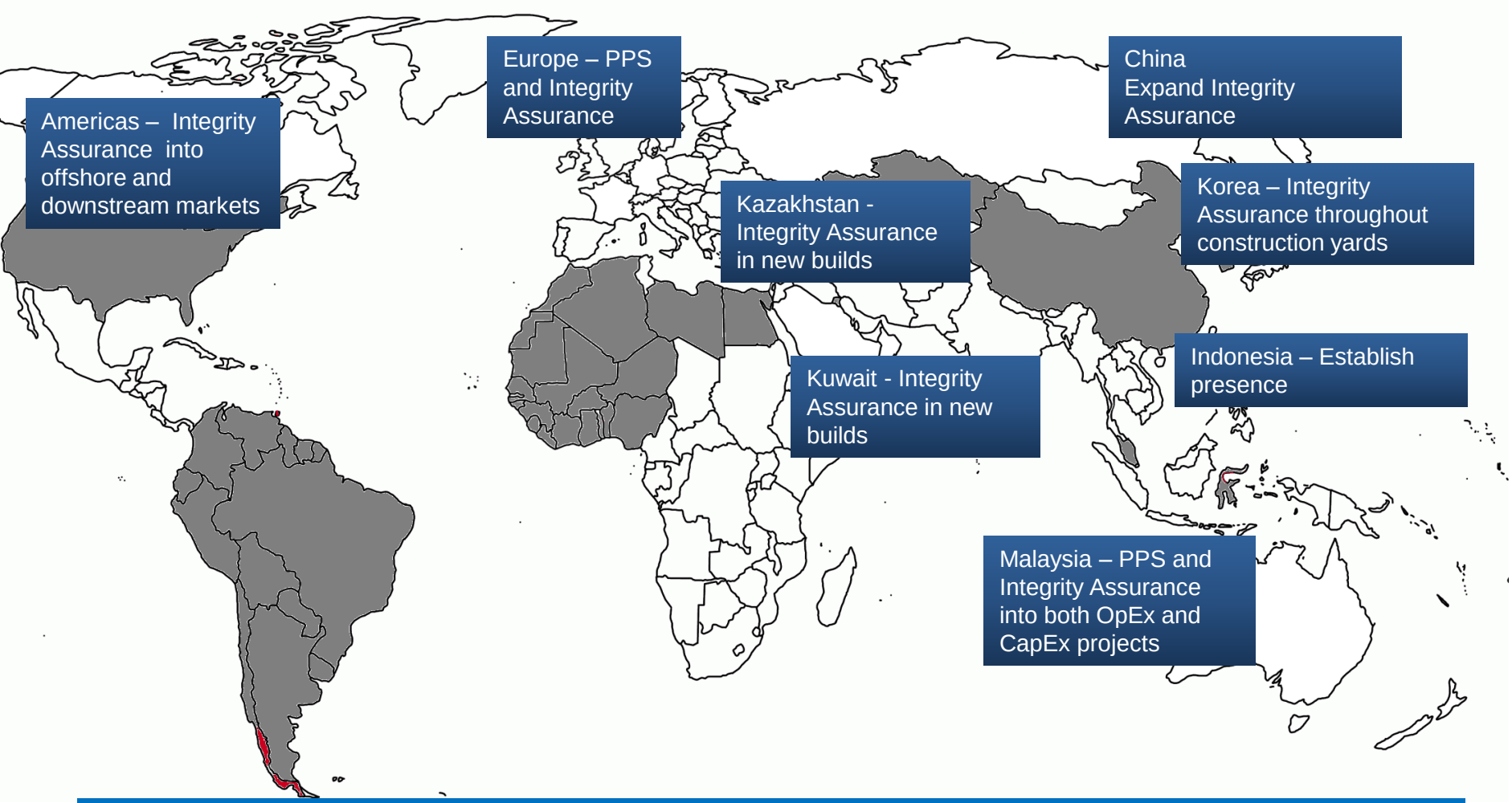
Future Actions



- Service / MRO growth plans by region – both organic and acquisition based (next slide)
- Service Center optimization project – optimize rental and technician utilization
- Product range expansion, including Mirage Machines
  - Bolting category – With Enerpac
  - Rental
  - Vertical markets – aerospace / power gen
- Cortland medical clean room expansion

Hydratight Service Growth Initiatives

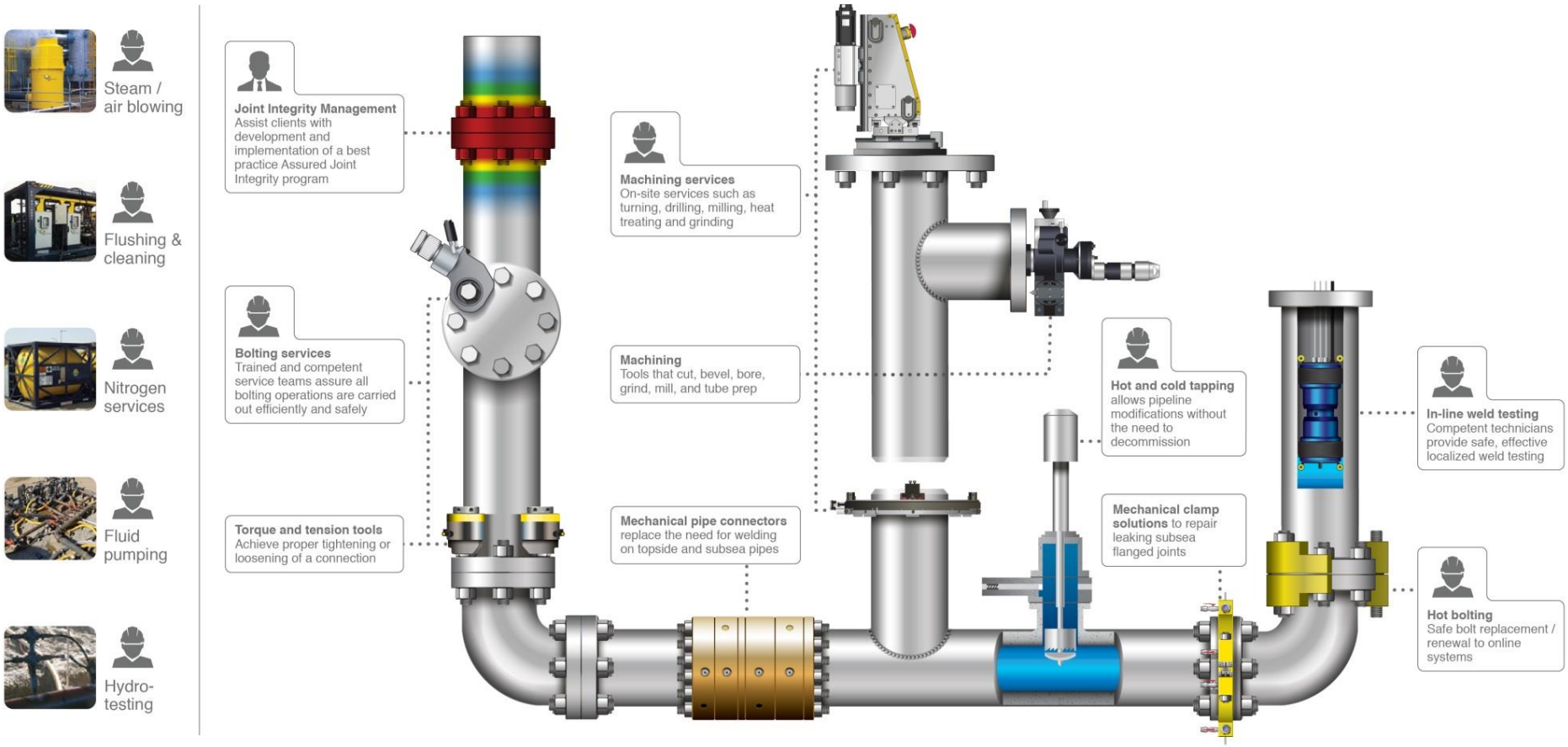
- Service footprint and coverage
- Technician and tool utilization – optimization and planning



Growing our service coverage from 24 locations

Hydratight Value Proposition

Provider of product and service solutions that deliver unrivaled levels of safety, reliability, productivity, and performance



Hydratight offerings cover product sales, product rentals, and field services

Product Development / Sales Growth

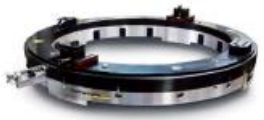
Product Categories



Tensioners



Torque Products



Machining Products



MORGRIP® Connectors



Nuclear Products



Sweeney Aero Products

Engineering NPD Focus

- New product launches in 2018
- Expansion of Mirage machines
- Product rental growth
- Vertical market focus – non oil & gas
- Commercial effectiveness / distinct product branding

World Class Service Centers



Joint Integrity



Bolting Services



- 24 locations and growing
  - Acquisitions
  - Capital investment
- Products sales
- Rental
- Service dispatch
- Training

Training Center



Industrial Growth Plan - Snapshot

Strategy	Progress Update



Product/Service Range Expansion

- Expand tool and bolting portfolio
- Second-tier brand to take share



Regional Penetration

- APAC & EMEA – strengthen our product and channel position including through acquisitions



Improving Channel Effectiveness

- Protect the premium channel (and brand)
- Develop and expand capabilities



Expanding Served Industries

- Focus on attractive markets

Industrial Growth Plan – Status Update

Progress Update



- 2nd tier brand distributor adds and sales traction
- Engineering staff expanded and creation of “Specials Group”
- 12 new product launches in fiscal 2017 – more than past three years
- Established bolting center of excellence
- Distributor councils created for feedback

Future Actions



- 2nd tier price elasticity “tweaks” for optimization
- Expand bolting center of excellence
- Product engineering center of excellence fully staffed by function
- Acquisition/JV/Partnership to expand Asia distribution and 2nd tier brand

Expand Industrial – Not Just “High Force Hydraulics”

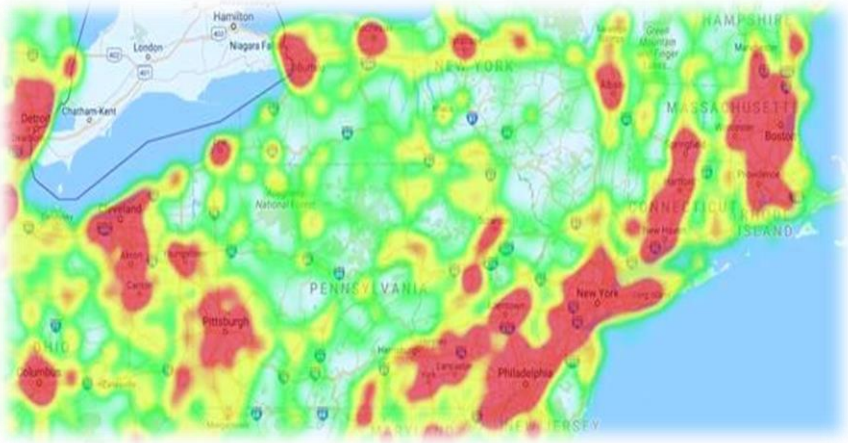
- Continued expansion of hydraulic industrial tools – Enerpac and 2nd Tier
- Build out Bolting as a line of business
- Extend / acquire complementary industrial tool categories
  - Electric
  - Pneumatic
  - Industry / mission critical specific



Broad based tools manufacturer with 5 business lines

Sales Effectiveness / 2nd Tier Brand Strategy

- Market opportunities in each territory
- Commission structure enhancements
- Increased sales to target ‘hot spots’
- End user plans / reporting / analytics
- Customer contact

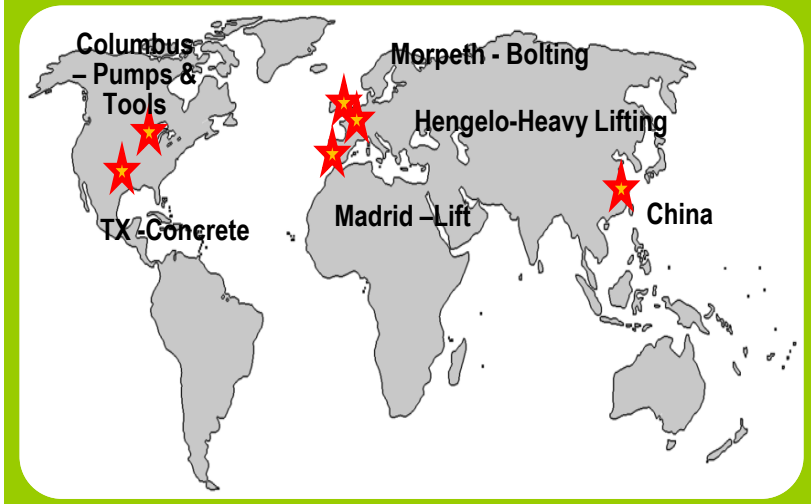


Americas SIMPLEX	• Dual Distributor Program • Added: 33 Distributors / 3 OEMs
EMEA LARZEP	• Added: 68 Direct / 11 Distributors • Penetration into the Infrastructure & Construction vertical markets
APAC	• Market research and acquisition discussions ongoing

Results: Improve customer intimacy/coverage, protect premium brand position, take share in mid-tier

Engineering / Product Innovation

- Robust project funnel driven by changes in structure, process, and leadership
- New initiatives in bolting, tools, and custom products
- Capacity (people) additions in engineering to support successful execution
- Center of Excellence (COE) structure to align the organization globally



- Global design control
- Global product management
- NPD & custom products support
- Lab and test capabilities

Industrial Tools - Current State

	NPD	Customs	Total
Lifting Engineers	4	7	11
Pump Engineers	3	9	12
Tools Engineers	0	0	0
Bolting Engineers	2	1	3
	9	17	26

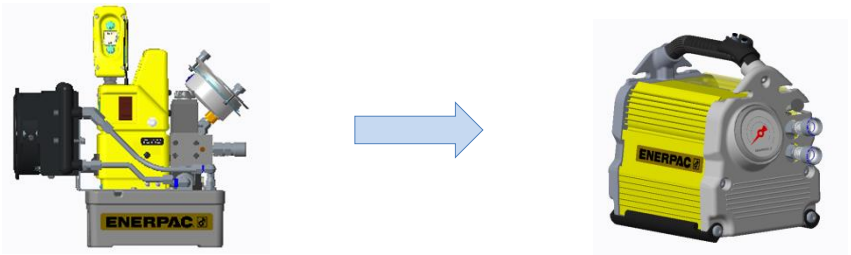
Industrial Tools - Future State

Add		NPD	Customs	Total
6	Lifting Engineers	8	9	17
4	Pump Engineers	6	10	16
5	Tools Engineers	3	2	5
6	Bolting Engineers	5	4	9
21		22	25	47

Increase New Product Vitality from 3.5% to over 16%

Product Innovation - Examples

Core: Small Pump Line Refresh



- 40% growth for the series
- Replaces small, economy pump

Heavy Lifting : Jack-Up System



Won ESTA 2017 most Innovative Manufacturer

- 200% growth on Jack-Up system
- Each tower can lift 750 tons, 20 meters

Tools: Cutters



Adding 22 new models

- 400% growth on cutters
- Targeting the MRO, manufacturing, & fabrication markets

Bolting: PowerGen Tensioners



- 250% growth on Tensioners
- Expanding served markets: Gas, Wind, Steam & Large Engines

New Products Across all Categories

Custom Products – Key Differentiator

Improved responsiveness to drive share capture

Key Objectives:
- Grow sales
- Increase RFQ's
- Increase hit rate: >30%
- Reduce lead time
- Incubator for New Products



Speed	• Improve quote times from 3 weeks to 1 day • Improve delivery from 3 months to 3 weeks • Business Development, Pricing, Program Management and Procurement all reorganized • Dedicated custom products cell and technicians
Commercial Execution	• Custom products webpage with ability to request quotes • Targeted marketing training for internal and external • Optimize Salesforce.com for quoting and follow-up • Reinvigorate commercial team to drive customs business

Engineered Solutions Growth Plan - Snapshot

Strategy	Progress Update



Expanding Served Industries

- Aerospace
- Medical



Regional Penetration

- EMEA agriculture
- NA off-highway human machine interface (HMI) displays
- Truck emerging markets



Commercial & Channel Effectiveness

- Indispensable customer partnership
- Mission critical systems
- Design and application subject matter experts



Product/Service Range Expansion

- Electric actuation
- Micro-hydraulics
- Clutch and gear mechanisms

Engineered Solutions Growth Plan – Status Update

Progress Update



- Disciplined/Professionalized geographic sales structure and SalesForce.com rollout
- Product development specialists by market
- Metric agriculture driveline production to US
- Customer (John Deere) supplier score moved from watch list to “Approved”
- Diesel engine and air brake precision air flow control actuation

Future Actions



- Product Life Cycle Management
  - New platform wins
- Engineering upgrade
- Channel management
- Lean manufacturing supply chain deployment
- Operations footprint optimized

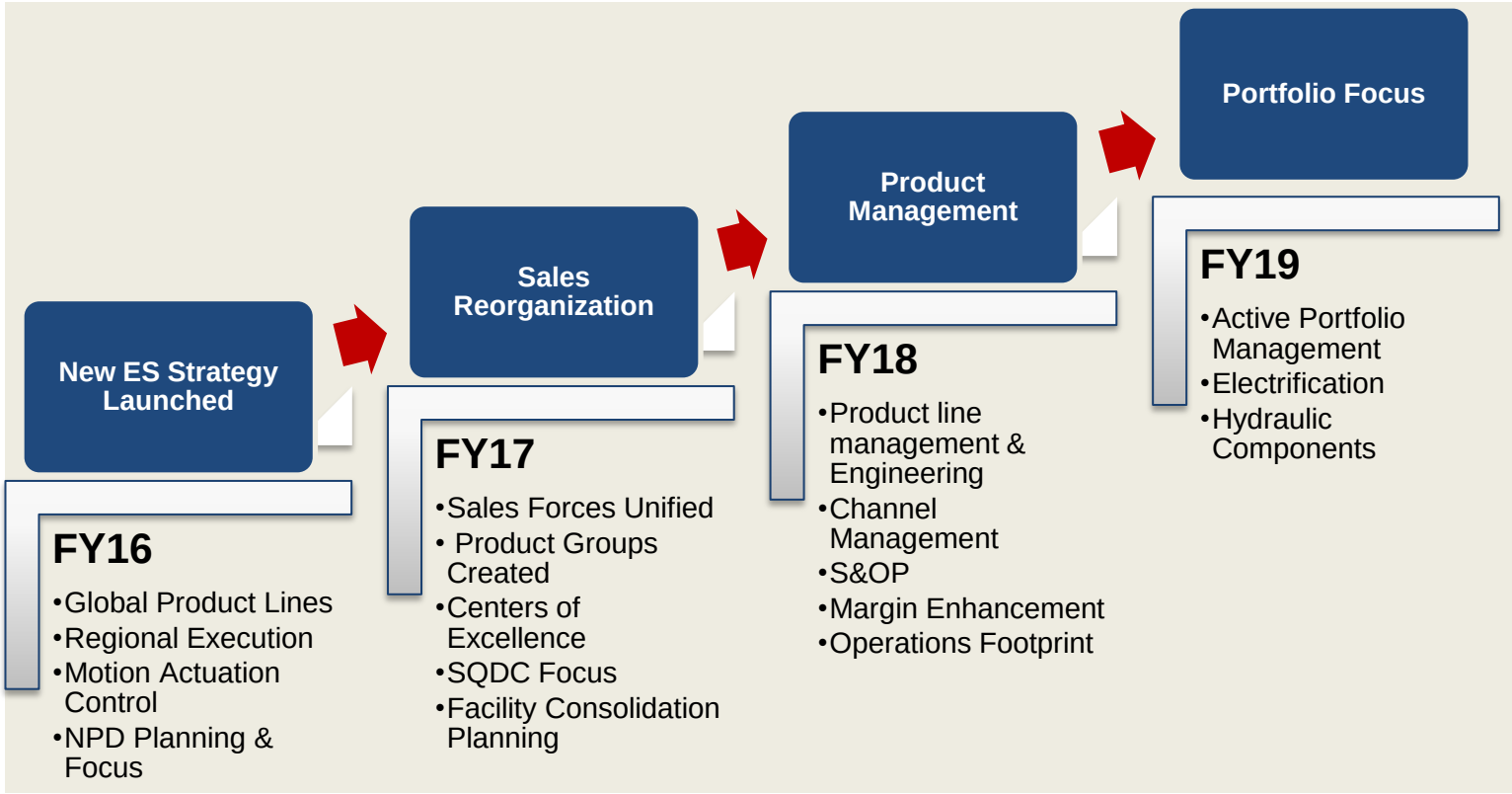
ES - Global Business Platforms



	Motion	Actuation	Control
Global Products			
Global Customers	John Deere, CNH, MacDon, MTD, ECHO, Husqvarna	Volvo, Scania, DAF, Iveco, Webasto-Edscha Cabrio, BMW, Siemens, Hill-Rom	CAT, MAN, JCB, John Deere, Krone, Wärtsilä, Cargotec, Atlas Copco, Sandvik

System Critical Solutions

ES Transformation - Journey



Objectives By FY21

- Effective sales channel & product organizations
- Deep product line and product management processes
- Growth & Customer Satisfaction
- Customer-valued portfolio
- World Class Performance
- COE for technology and manufacturing capabilities

Fiscal 2017 Financial Performance Improvement

- Core sales growth 6%
- Margin expansion 170 BPS

The Transformation Has Been in Process for Two Years – Continue to Execute on the Plan

Status of Recent Segment Key Wins

HD Truck Engine



Intake Throttle Valve

Total projected value: $50M over 5 years

Hutchinson/GSI



Gearbox for Bin Sweeps

Total projected value: $7M starting FY 2017

Scania



Cab Tilt

Total projected value: $40M over 5 years

JCB Engine



EGR Valves

Total projected value: $25M over 5 years starting FY 2018

Agbrain

AgBRAIN

Displays

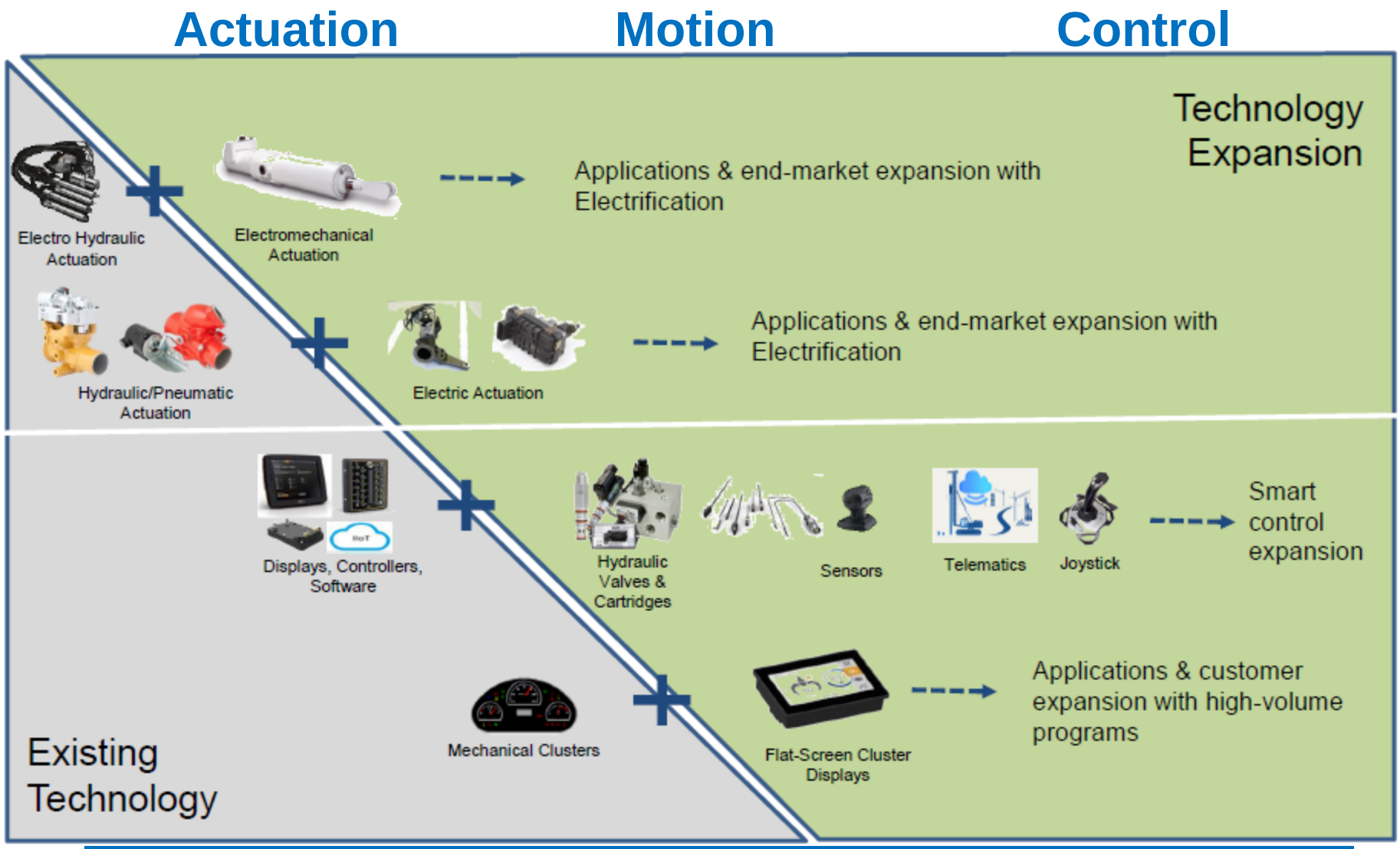
Total projected value: $12M over 7 years starting FY 2017

Improved customer service and quality

- On time delivery +90%
- Quality rate now lower than 500 DPPM

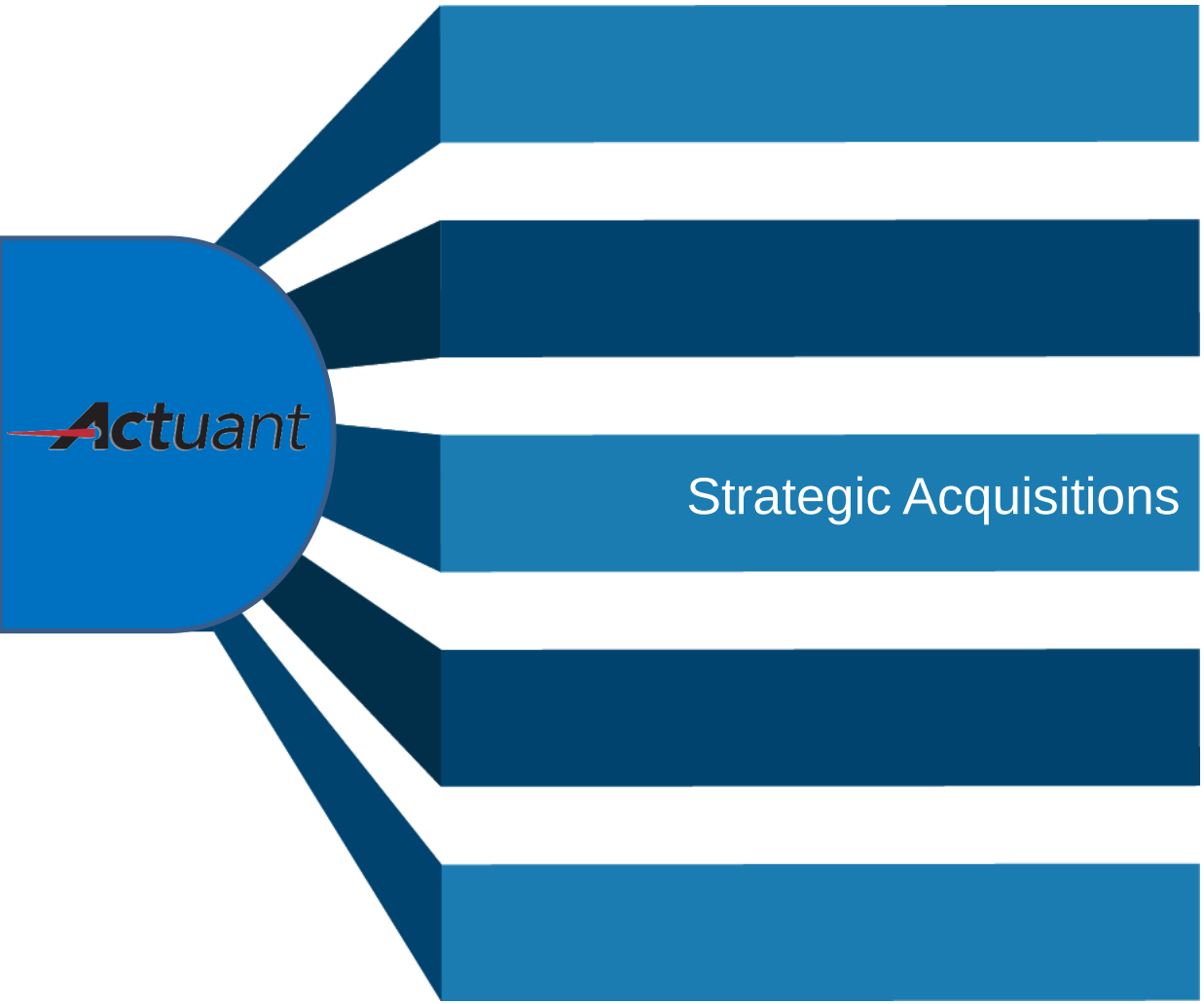
Impact of Improved Coverage and Customer Focus

Technology & Portfolio Evolution



Expand Into Complementary Technologies

Acquisitions / Portfolio Management



Expand product lines
Increase global coverage
Acquire complementary services

Portfolio Repositioning - Two Categories

Highly cyclical
Underperforming
No pathway to fix/improve
No strategic fit

- Viking divestiture
- Limit upstream / offshore oil &gas exposure





Lacks scale/size
Cyclical
Long term strategic fit uncertain
Can be improved

- Represents <$100 million in revenue
- Opportunistic timing - not urgent

Tuck-In Acquisitions to Enhance Offerings

Mirage Machines Example:

- $12 million revenue targeted tuck-in to Hydratight product/service offerings
- Flange facing, hot tapping and other world class machine tools sold across geographies and end markets
  - Expansion of tool sales, rental and service through existing Hydratight service centers
  - 60% Energy / 40% Other Industrial applications

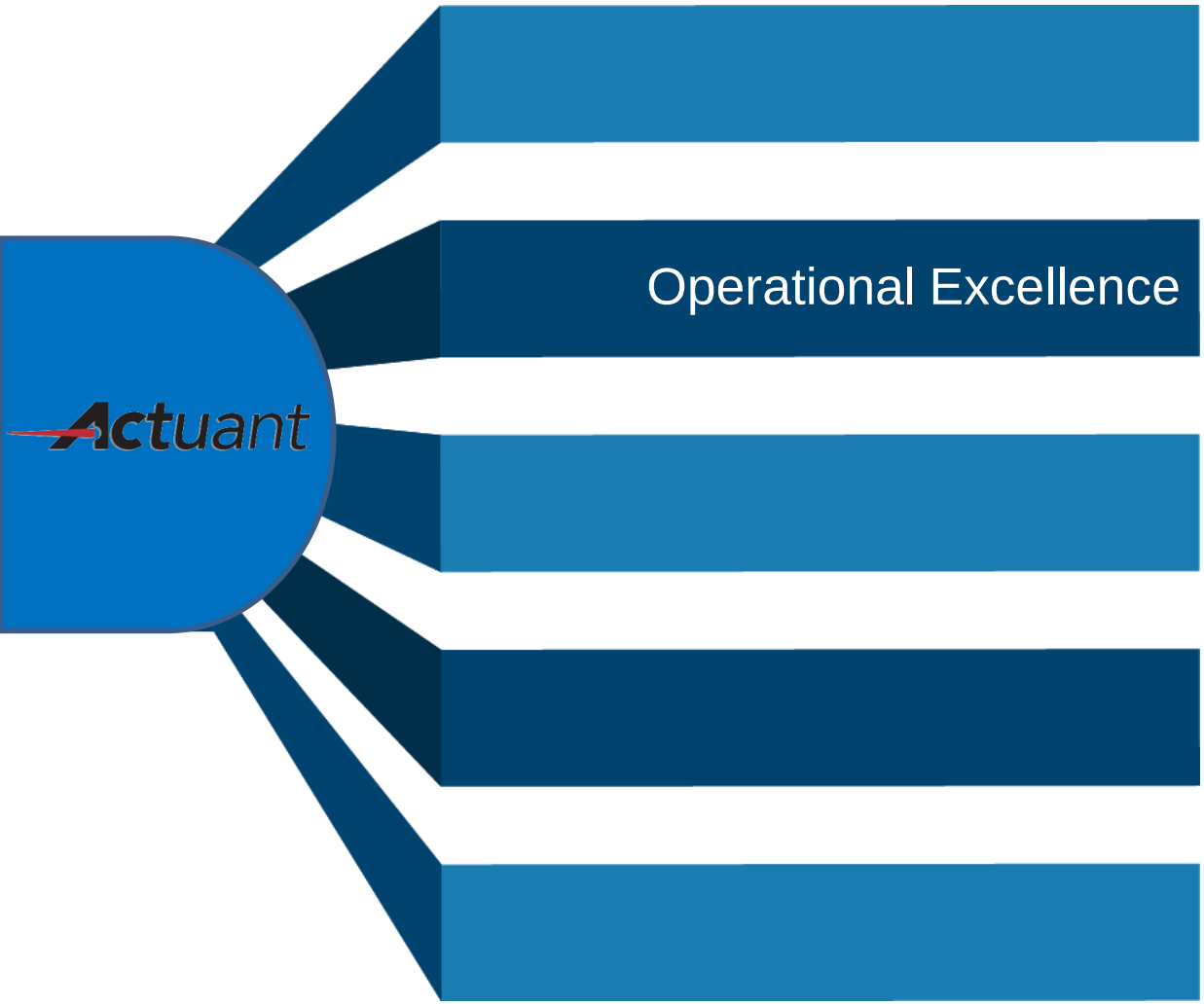
Mirage Video

MIRAGE
PORTABLE PERFORMANCE





Operational Excellence as an Enabler to Growth



Drive Lean principles

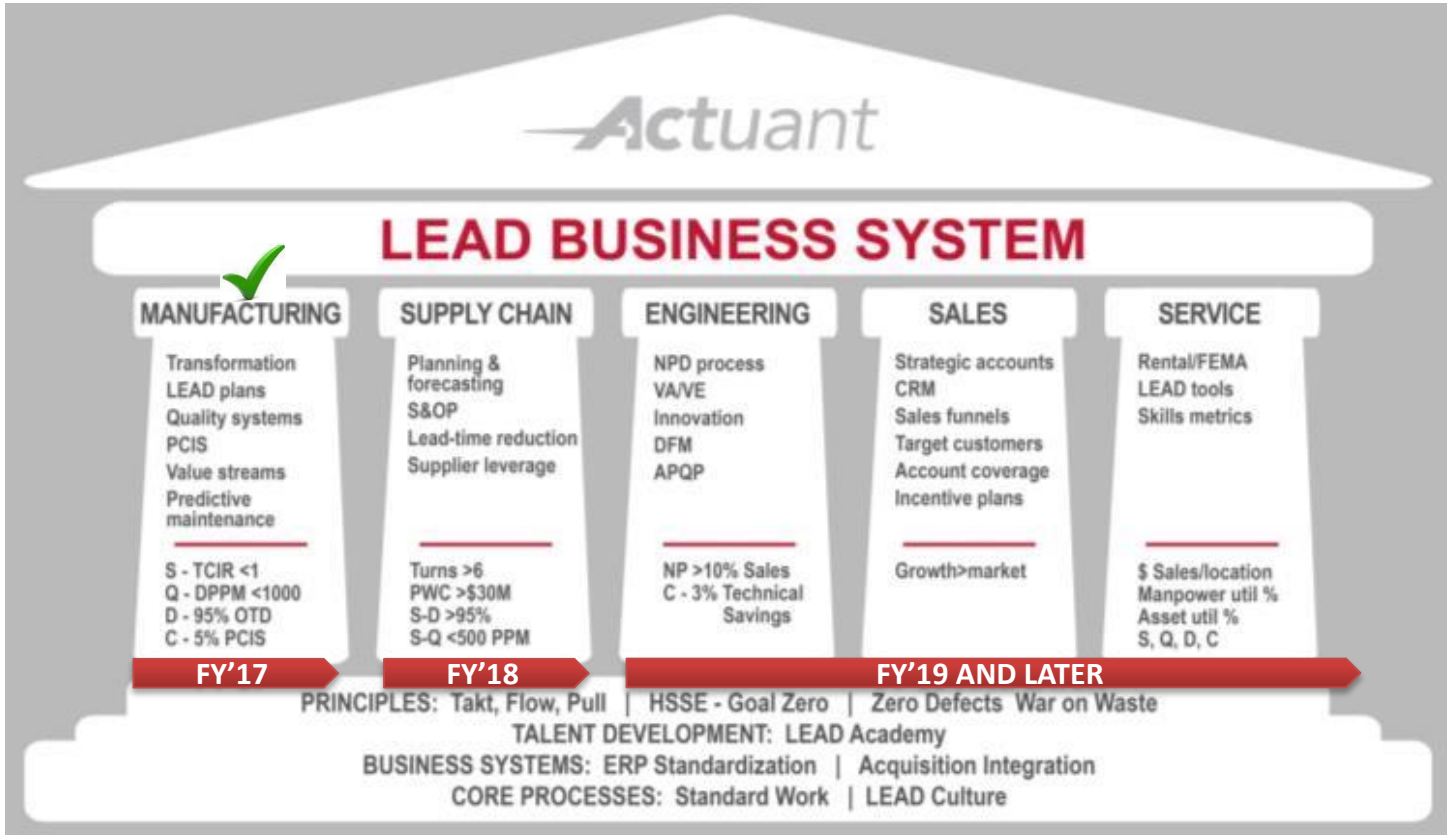
***Goal Zero* safety**

Optimized cost position

Building a World-Class Operating Structure

Key Goals:

- Earn right to grow with customers – superior quality, delivery, cost and safety
- Leverage growing volume through optimized facilities
- Right-size manufacturing and service footprint





GOAL ZERO

Lean Revitalization – Status Update

Progress Update



- Lighthouse Transformations
  - West Bend 90%
  - Hengelo 60%
- Lean training / capability enhancements
- Additional 4 sites achieve “green” status from original 3.
  - Progress across all locations
  - Culture taking hold

Future Actions



- Service Center Excellence
  - 24 global service/repair centers
  - Manpower and rental utilization
  - Tool breadth/cost/repair
- Supply Chain Optimization
  - Sales and Operations Planning Process (S&OP)
    - Collaborative process
    - Rough cut capacity planning
  - Procurement leverage
  - Quality (DPPM)

Facility Revitalization Metrics / Timeline

- Key metrics reviewed monthly with R/Y/G status
- From original 3 sites, now 7 solidly within “green” results
- Roadmap of sites – big/vertical to smaller assembly
- All sites to “green” by end of calendar 2018

Scorecard Example

Metrics: **Safety**: TCIR **Quality**: External DPPM
Delivery: On-time to Request **Cost**: PCIS as % of COGS

CPC	Milwaukee Cylinder	PHI – Seagoville
		
Current State S: 2.36 Q: 424 D: 94.9% C: 2.5%	Current State S: 3.06 Q: 2801 D: 81.2% C: 2.5%	Current State S: 3.97 Q: 1635 D: 93.3% C: 1.5%
FY20 Future State S: 0.5 Q: 300 D: 98% C: 4.0%	FY20 Future State S: 0.5 Q: 300 D: 98% C: 5.0%	FY20 Future State S: 0.5 Q: 300 D: 98% C: 5.0%

Weasler – West Bend, Wisconsin “Lighthouse”

- Lighthouse – showcase what “good” looks like as a benchmark to other facilities
- Utilized Porsche Consulting to accelerate learning and adoption
- Significant transformation in flow, 5S, quality and inventory levels

Weasler Video



John Deere raised Weasler to “Approved” supplier status

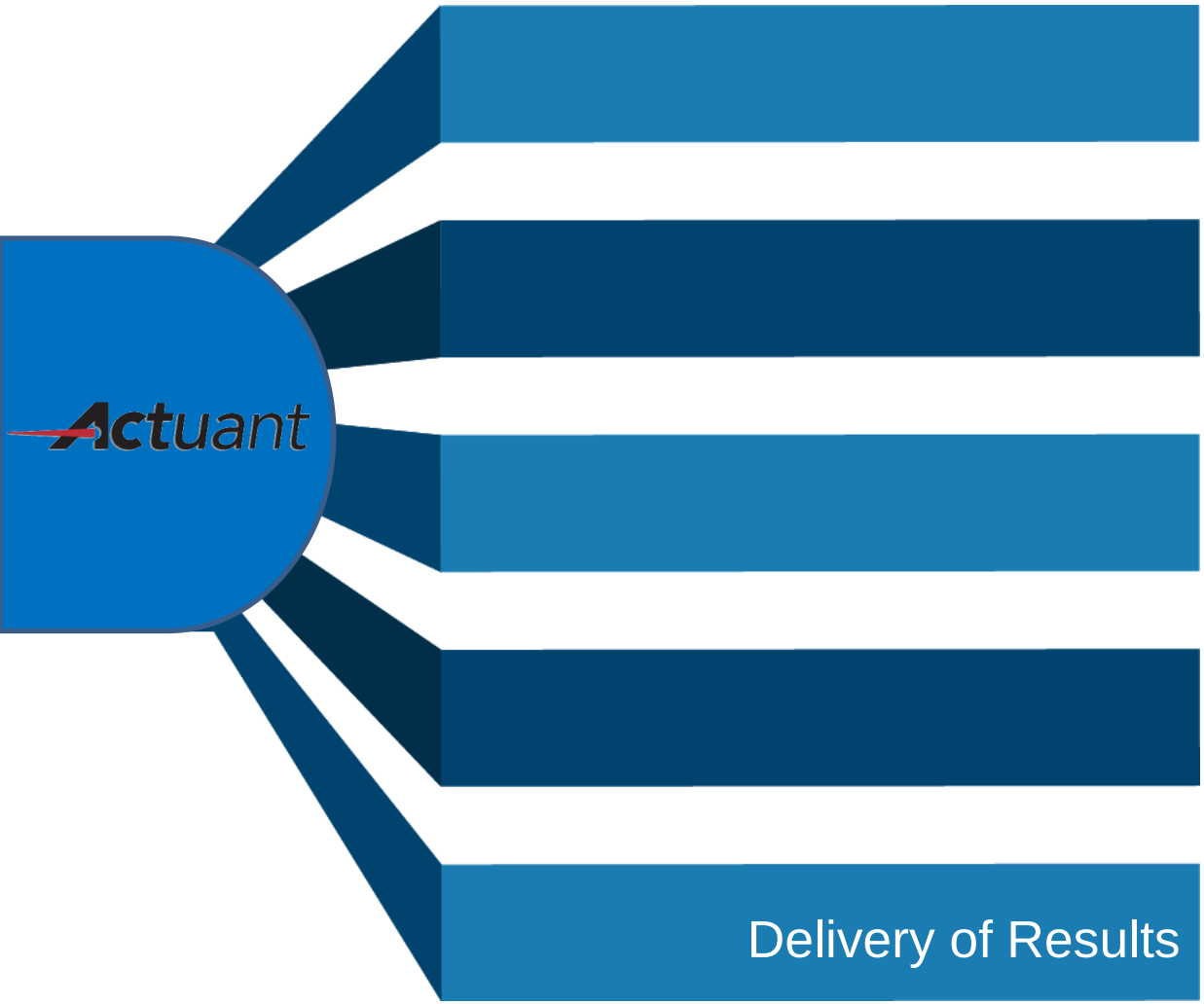


Financial Summary

Rick Dillon

Actuant

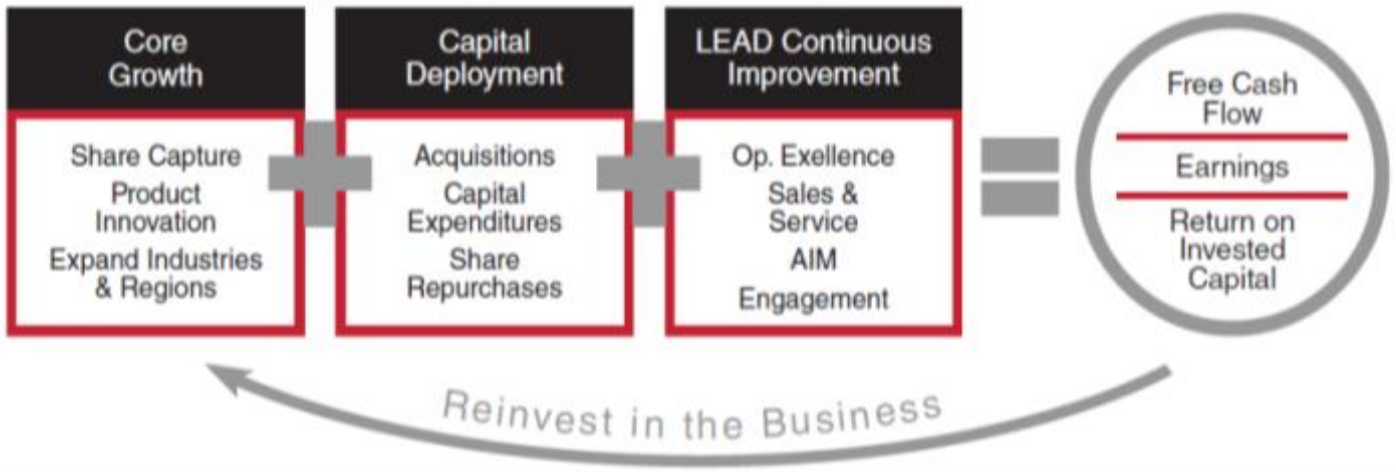
Driving Shareholder Value Creation



Reliable growth
Meet commitments
Superior shareholder returns

Actuant Business Model

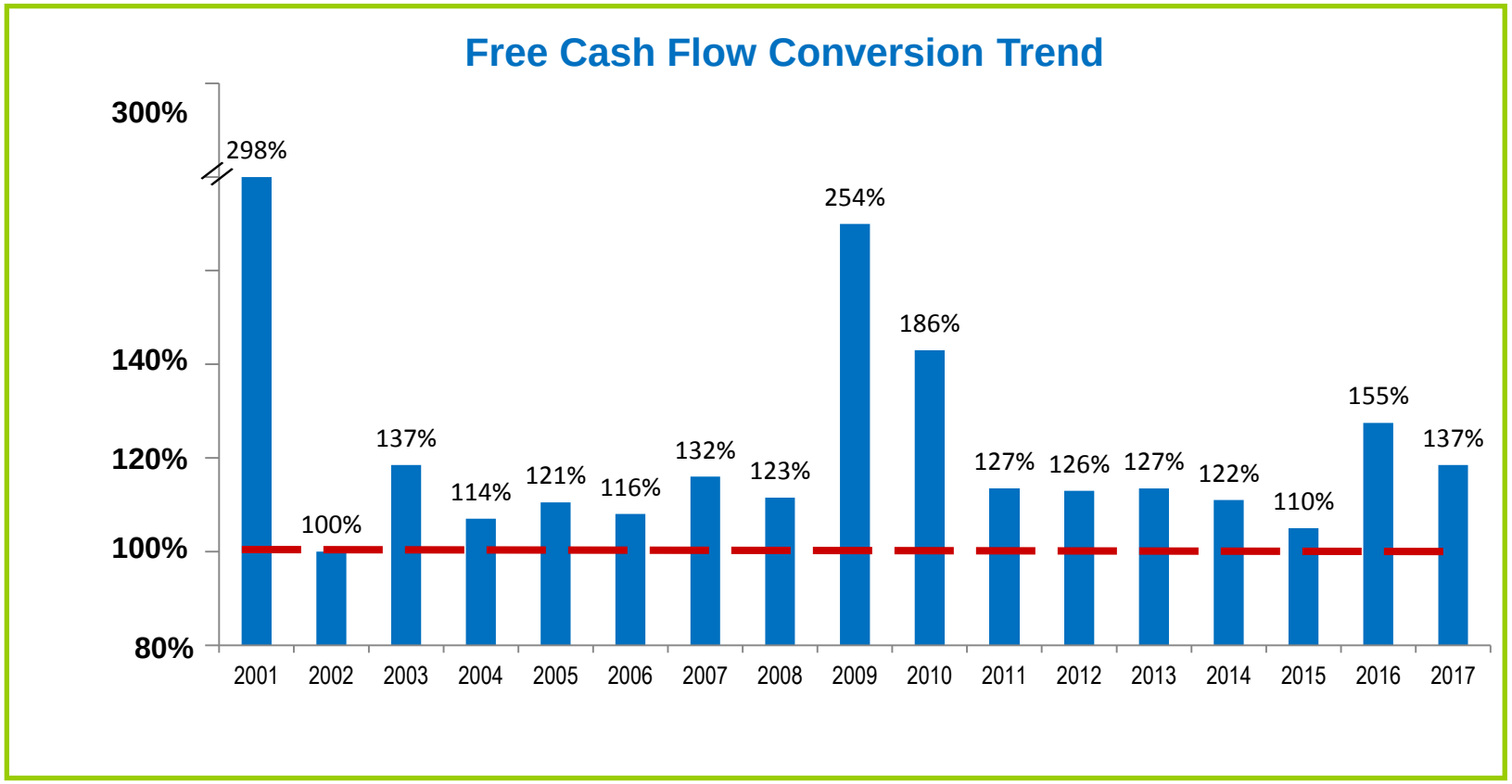
Business Model



Long-Term Metrics

Core Sales Growth > Market	FCF= Acquisition Capital	Base Margin Expansion	+100% FCF Conversion
Grow organic revenue above rate of end markets	Annual deployment of free cash flow in strategic tuck-in acquisitions	Expanding EBITDA % - investment in best businesses and LEAD	Consistently delivering free cash flow in excess of net earnings

17th Consecutive Year of 100%+ Conversion



Despite Difficult Results, Cash Flow Conversion Remains a Hallmark, Providing Fuel for Future Growth

See appendix for GAAP/Non-GAAP reconciliation

Fiscal 2018 Core Sales Expectations

Core Growth	2017	2018 (guide)	*2018 1H*	*2018 2H*
Industrial	5%	4% - 6%	*+MSD*	*+LSD*
Energy	(23)%	(5)% - Flat	*-DD*	*+LSD*
Engineered Solutions	6%	Flat to +3%	*+MSD*	*-LSD*
Consolidated	(4)%	Flat to +2%	*Flat*	*+LSD*

- Industrial
- Energy
  - Maintenance
  - Upstream/cap ex
- Engineered Solutions
  - Europe/ROW Truck
  - Agriculture
  - Off-highway

Continued growth in tools but more difficult comparisons as the year progresses

Difficult comps in first two quarters, modest growth in back half from low levels

Viking included all of Q1; Remainder assumes flattish market conditions

China truck moderates to flat/down as the year progresses, Europe down LSD

Easier comps continue in Q1, moderate thereafter. New wins benefit later part of year.

LSD = low single digit, MSD = mid single digit, DD= double digit

Fiscal 2018 Guidance Summary

(US$ in millions except EPS)

	Full Year	
	2017	2018E
Sales	$1,096	$1,100 - 1,130
EBITDA	$122	$140 - 150
Diluted EPS	$0.83	$1.05 - 1.15

	First Quarter	
	2017	2018E
Sales	$266	$260 - 270
EBITDA	$31	$25 - 30
Diluted EPS	$0.20	$0.14 - 0.19

2017 excludes restructuring , impairment and divestiture charges, director & officer transition charges and one time tax adjustment. 2018 guidance excludes restructuring charges and any future acquisitions, divestitures or stock repurchases not specially identified.

Assumptions - Full Year:

- Full year core sales flat to +2%
- Viking excluded after Q1, Mirage included Q2-4
- Key FX rates – approximately $1.15-1.20/1€ and $1.30-1.35/1£.
- ~5-10% effective tax rate
- Shares outstanding ~60-61 million
- Free cash flow ~$85-95 million

Assumptions – First Quarter:

- Core sales decline of flat to -2%
- Viking in results for entire Q1
- ~5-10% effective tax rate

Solid Growth Across Industrial and Engineered Solutions; Difficult Energy Market Environment Continues

Capital Allocation

Capital deployment strategies

- Deploy substantially all free cash flow (after organic spend) in strategic, tuck-in acquisitions
- Net debt/EBITDA leverage comfort zone approximately 1.5-2.5x (currently 2.7x)

Capital allocation priorities

1. Top priority remains growth
    1. Organic – invest in ourselves
    2. Acquisitions – tuck-ins to strengthen existing businesses
2. Share repurchases - opportunistic
3. Dividend – no change

Robust Cash Flow and Capital Structure Provides Strategic Flexibility

Capital Structure / Debt

Net Debt

($ in millions)

	8/31/2017	8/31/2016
Revolver	$ -	$ -
Term Loan	273	292
5 5/8% Notes	288	288
Total Debt	$ 561	$ 580
Cash	(229)	(180)
Net Debt	$ 332	$ 400
Net Debt/EBITDA	2.7	2.5

Debt Maturities

($ in millions)

	Maturity	2018	2019	2020	Beyond	Total
$600M Revolver	May 2020	-	-	-	-	$ -
Term Loan	May 2020	30	30	217	-	277
5.625% Notes	April 2022*	-	-	-	288	288
Gross Debt		$30	$30	$217	$288	$565

- Leverage trending to comfort zone with debt reduction and increase in EBITDA (Viking / 2018 improved performance)
- Incremental borrowing costs on the revolver remain low with LIBOR base
- Debt structure flexibility and maturities to be revisited during fiscal 2018

Actuant 2021 Vision – The Components

10% Total Sales CAGR with Core Sales Growth > Market

- Roughly Half Core / Half M&A
- Core Sales CAGR = Industrial & Energy ~ 5-7%; ES ~3-5%

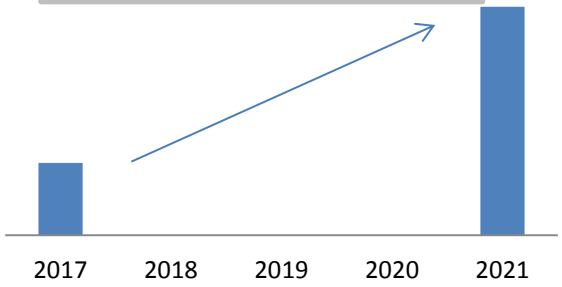
$600+ Million FCF = Acquisition Capital

- FCF plus revolver availability
- Weighted to Industrial and Energy MRO

EBITDA Margin ~20% by 2021

- Target Margins by Segment
  - Industrial Mid-20%'s
  - Energy High-Teens/20%ish
  - ES Mid-Teens

EPS Growth 15-20% CAGR



- Opportunistic share repurchases
- Optimized debt structure
- Mid/high-teens structural tax rate

Strategic Plan Goals – In Summary

Goals

- Organic growth above market
- Annual margin expansion
- Free cash flow > net earnings
- 1.5-2.5X net debt/EBITDA
- Double digit EPS growth

Outcome

- Total sales growth CAGR ~10%
- EBITDA margin target of ~20%
- Robust free cash flow growth and conversion
- 15-20% annual EPS growth
- Value creation for shareholders



Wrap-Up

Randy Baker

Actuant

Actuant 2021 Vision



Core growth above market

- Expand industries and regions
- Commercial effectiveness & share capture
- Product innovation



Driving world-class operations and service

- Full deployment of Actuant LEAD systems
- Goal Zero – safety
- Optimized cost position



Disciplined capital deployment

- Organic growth: products, services & people
- Strategic acquisitions
- Opportunistic share repurchases



Best-in-class shareholder returns

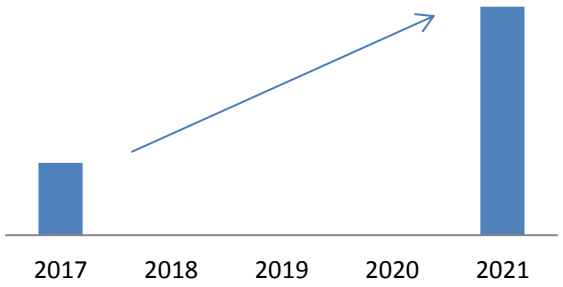
- Base business margin expansion
- 100%+ free cash flow conversion
- Targeting 15-20% EPS CAGR

10% Total Sales CAGR with Core Sales Growth > Market

$600+ Million FCF = Acquisition Capital

EBITDA Margin ~20% by 2021

EPS Growth 15-20% CAGR



Actuant Investment Case



Diversified industrial growth company with a portfolio of market-leading brands providing mission critical customer solutions



LEAD is the foundation of Actuant's culture and will drive operational excellence and enable growth



Effective deployment of industry leading cash generation in strategic and financially disciplined M&A



Highly experienced and energized leadership team

Appendix

Free Cash Flow / Cash Flow Conversion

(US$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total EBITDA (1)	$87	$84	$90	$106	$145	$181	$228	$260	$171	$185	$244	$283	$267	$246	$191	$152	$122
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)	(26)	(26)	(21)	(21)	(25)	(27)	(27)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)	(23)	(55)	(44)	(53)	(28)	(21)	(12)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)	(23)	(23)	(23)	(40)	(23)	(20)	(28)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14	(14)	17	26	32	(2)	28	13
Free Cash Flow	**$50**	**$25**	**$47**	**$56**	**$85**	**$102**	**$148**	**$151**	**$150**	**$145**	**$158**	**$196**	**$205**	**$164**	**$113**	**$112**	**$68**
Net Earnings (1)	$17	$25	$34	$49	$70	$88	$112	$123	$59	$78	$124	$155	$162	$134	$103	$73	$50
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%	127%	126%	127%	122%	110%	155%	137%

(1) Excluding special items - excludes restructuring and impairment charges, discontinued operations,divestiture gains/losses debt extinguishment charges , director & officer transition charges,and non-recurring income tax gains.

GAAP/Non-GAAP Reconciliations

(US$ in millions)

EBITDA

	2017	2016
Net (Loss) Earnings	($66)	($105)
Net Financing Costs	$30	$29
Income Tax (Benefit) Expense	($17)	($25)
Depreciation & Amortization	$43	$48
Impairment & Divestiture Charges	$117	$191
Restructuring Charges	$7	$15
Director & Officer Transition	$8	$0
Adjusted EBITDA	**$122**	**$152**

EPS

	2017	2016
Net (Loss) Earnings Per Share	($1.11)	($1.78)
Impairment & Divestiture Charges	$1.82	$2.83
Restructuring Charges	$0.09	$0.17
Income Tax Benefit	($0.05)	$0.00
Director & Officer Transition	$0.08	$0.00
Adjusted EPS	**$0.83**	**$1.22**