UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended August 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from to to
Commission File No. 1-11288

ENERPAC TOOL GROUP CORP.

(Exact name of Registrant as specified in its charter)

Wisconsin	**39-0168610**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

N86 W12500 WESTBROOK CROSSING
MENOMONEE FALLS, WISCONSIN 53051
Mailing address: P.O. Box 3241, Milwaukee, Wisconsin 53201
(Address of principal executive offices)
(262) 293-1500
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.20 par value per share	**EPAC**	**NYSE**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ **No** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15d of the Act.
Yes ☐ **No** ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definition of "accelerated filer," "large accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act. **Yes** ☐ **No** ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.):
Yes ☐ **No** ☒

As of February 29, 2020, the end of the Registrant's second fiscal quarter, the aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on February 29, 2020) held by non-affiliates of the Registrant was approximately $1.28 billion.

There were 59,800,210 shares of the Registrant's Class A Common Stock outstanding as of September 30, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on January 19, 2021 are incorporated by reference into Part III hereof.

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Enerpac Tool Group Corp. provides free-of-charge access to our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments thereto, through our website, www.enerpactoolgroup.com, as soon as reasonably practical after such reports are electronically filed with the Securities and Exchange Commission.

FORWARD LOOKING STATEMENTS AND CAUTIONARY FACTORS

This annual report on Form 10-K contains certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms “may,” “should,” “could,” “anticipate,” “believe,” “estimate,” “expect,” “objective,” “plan,” “project” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to inherent risks and uncertainties that may cause actual results or events to differ materially from those contemplated by such forward-looking statements. In addition to the assumptions and other factors referred to specifically in connection with such statements, factors that may cause actual results or events to differ materially from those contemplated by such forward-looking statements include, without limitation, the economic impact of the COVID-19 pandemic and other general economic uncertainty, market conditions in the industrial, oil & gas, energy, power generation, infrastructure, commercial construction, truck and automotive industries, market acceptance of existing and new products, market acceptance of price increases, successful integration of acquisitions, divestitures and related restructuring, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material, labor, or overhead cost increases, foreign currency risk, interest rate risk, commodity risk, the impact of geopolitical activity, tariffs, litigation matters, impairment of goodwill or other intangible assets, the Company’s ability to access capital markets and other factors that may be referred to or noted in the Company’s reports filed with the Securities and Exchange Commission from time to time, including those described under "Item 1A. Risk Factors" of this annual report on Form 10-K. We disclaim any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or any other reason.

When used herein, the terms “we,” “us,” “our,” and the “Company” refer to Enerpac Tool Group Corp. and its subsidiaries.

PART I

Item 1. Business

General

Enerpac Tool Group Corp., formerly known as Actuant Corporation, is a premier industrial tools and services company serving a broad and diverse set of customers in more than 100 countries. The Company is a global leader in the engineering and manufacturing of high pressure hydraulic tools, controlled force products and solutions for precise positioning of heavy loads that help customers safely and reliably tackle some of the most challenging jobs around the world. The Company was founded in 1910 and is headquartered in Menomonee Falls, Wisconsin. The Company has two operating segments, Industrial Tools & Service ("IT&S") and Other, with IT&S being the only reportable segment. The IT&S segment is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools, as well as providing services and tool rental to the industrial, maintenance, infrastructure, oil & gas, energy and other markets. Financial information related to the Company's reportable segment is included in Note 15, "Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements.

During the fourth quarter of fiscal 2019, we entered into a Securities Purchase Agreement ("SPA") to sell the remaining businesses within our legacy Engineered Components & Systems ("EC&S") segment. We closed the transaction during our first quarter of fiscal 2020. The divestiture of the EC&S segment, along with the fiscal 2019 divestitures of the Cortland Fibron and Precision Hayes International ("PHI") businesses, were a part of our strategic shift to become a pure play industrial tools and services company. As such, the results of the EC&S segment as well as the Cortland Fibron and PHI businesses are considered discontinued operations in all periods presented herein.

Our Business Model

Our long-term goal is to create shareholder value and best in class returns through growth of our core businesses, driving efficiency and profitability, generating strong cash flow, and being disciplined in the deployment of our capital.We intend to leverage our strong brand, our market positions, and our dealer and distribution networks to generate organic core sales growth that exceeds end-market growth rates. Organic growth is accomplished through a combination of market share capture and product innovation, as well as market expansion into emerging industries and geographic regions. In addition to organic growth, we also focus on profit margin expansion by utilizing continuous improvement techniques to drive productivity and lower costs and by enacting routine pricing initiatives to generate price realization and to offset cost increases, such as commodity and tariff increases and general inflation. Finally, cash flow generation is critical to achieving our financial and long-term strategic objectives. Strong cash flow generation is achieved by maximizing returns on assets and minimizing primary working capital needs. The cash flow that results from efficient asset management and improved profitability is used to fund internal growth opportunities, strategic acquisitions, paydown of debt and opportunistic common stock repurchases.

Description of Business Segments

Industrial Tools & Services Reportable Segment

IT&S is a global supplier of both products and services to a broad array of end markets, including infrastructure, industrial maintenance, repair, and operations, oil & gas, mining and alternative energy and construction markets.

Our primary products include branded tools, cylinders, hydraulic torque wrenches and highly engineered heavy lifting technology solutions. Examples of our products include high-force hydraulic and mechanical tools (cylinders, pumps, valves and specialty tools), which are designed to allow users to apply controlled force and motion to increase productivity, reduce labor costs and make work safer and easier to perform, bolt tensioners and other miscellaneous products. These tools operate at very high pressures of approximately 5,000 to 12,000 pounds per square inch. With our products used in a wide variety of end markets, they are often deployed in harsh operating conditions, such as oil & gas production, machining and infrastructure maintenance and repair, where safety is a key differentiator. As a result, we hold ourselves to a world-class safety standard to protect both our employees and those using our products and services.

On the services side of the segment, our highly trained technicians provide maintenance and manpower services on oil & gas assets to meet customer-specific needs including bolting, machining, and joint integrity. We also provide rental capabilities for certain of our products.

Our branded tools and services are primarily marketed through the Enerpac, Hydratight, Larzep and Simplex brand names.

The segment delivers products and services primarily through our world-class, global network of distributors, as well as, direct sales to OEM's and select end users. Examples of industrial distributors include W.W. Grainger, MSC and Blackwoods.

Other Operating Segment

The Other operating segment includes our Cortland U.S. business, which primarily designs and manufactures high performance synthetic ropes and biomedical assemblies. The Other operating segment does not meet the quantitative or qualitative thresholds to be considered a reportable segment. Therefore, the results are not disclosed separately as would be required if the Other operating segment were considered a reportable segment and as the business is not closely related to the IT&S segment, results are not aggregated to be included in the results of the IT&S reportable segment. Certain information related to the Other operating segment is disclosed within Note 15, "Business Segment, Geographic, and Customer Information" in order to comply with U.S generally accepted accounting principles ("GAAP") requirements to reconcile certain required disclosures to the Consolidated Financial Statements.

Acquisitions and Divestitures

For a summary of recent acquisition and divestiture transactions impacting continuing operations, see footnote 2 to the table included inItem 6 Financial Data, as well as Note 4, "Acquisitions" and Note 5, "Discontinued Operations and Other Divestiture Activities" in the notes to the consolidated financial statements.

International Business

Our products and services are generally available globally, with our principal markets outside the United States being Europe and Asia. In fiscal 2020, we derived 37% of our net sales from the United States, 24% from Europe, 12% from the Middle East, 11% from Asia and 16% from other geographic areas. We have operations around the world that allow us to draw on the skills of a global workforce, provide flexibility to our operations, allow us to drive economies of scale, provide revenue streams that may help offset economic trends that are specific to individual countries and offer us an opportunity to access new markets. Although international operations are subject to certain risks, we continue to believe that a global presence is key to maintaining strong relationships with many of our global customers and suppliers. Financial information related to the Company's geographic footprint of our continuing operations is included in Note 15, "Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements.

Product Development and Engineering

We conduct research and development activities to develop new products and to enhance the functionality, effectiveness, ease of use and reliability of our existing products. We believe that our engineering and research and development efforts have been and continue to be key drivers of our success in the marketplace. Our advanced design and engineering capabilities contribute to the development of innovative and highly engineered products, maintain our technological leadership and enhance our ability to provide customers with unique and customized solutions and products. We anticipate that we will continue to make significant expenditures for research and development as we seek to provide new innovative tools and services to grow our market share. Research and development ("R&D") costs are expensed as incurred. R&D costs were $7.3 million in fiscal 2020, a decrease of 22% from $9.3 million in fiscal 2019 and a decrease of 16% from $8.7 million in fiscal 2018. We target a minimum of 10% of consolidated product sales annually to be from new product development as a result of our research and development activities.

The Company holds numerous patents and trademarks; however, no individual patent or trademark is believed to be of such importance that its termination would have a material adverse effect on our business.

Competition

The markets for our products are highly competitive. We provide a diverse and broad range of industrial products and services to numerous global end markets, many of which are highly fragmented. Although we face larger competitors in several served markets, some of our competition is comprised of smaller companies which may lack the global footprint or financial resources to serve global customers. We compete for business principally on the basis of customer service, product quality and availability, engineering and research and development expertise. In addition, we believe that our cost structure, strategic global sourcing capabilities and global distribution support our competitive position.

Manufacturing and Operations

While we do have extensive manufacturing capabilities including machining and fabrication, our manufacturing consists primarily of light assembly of components we source from a network of global suppliers. We have implemented single piece flow processes in most of our plants, which reduces inventory levels, lowers re-work costs and shortens lead times to customers. Components are built to our highly engineered specifications by a variety of suppliers, including those in low cost countries such as China and India. We have built strong relationships with our key suppliers and, while we single source certain of our components, in most cases there are several qualified alternative sources.

Raw Material Costs and Inflation

We source materials and components from a network of global suppliers. These items are typically available from multiple suppliers. Raw materials that go into the components we source, such as steel, aluminum and plastic resin, are subject to price fluctuations and tariffs, which could have an impact on our results. We have been able to offset the impact of inflation in recent years with manufacturing efficiencies, cost reductions and pricing actions. In addition, several of our products have been subject to tariffs, but to date we have been able to offset the majority of additional costs from tariffs through price increases to our customer base. We continue to manage our supply chain to mitigate ongoing risks associated with the evolving political environments.

Order Backlogs and Seasonality

Our operating segments have a relatively short order-to-ship cycle. We had order backlogs of $31 million and $42 million at August 31, 2020 and 2019, respectively. Substantially all orders are expected to be filled within twelve months. While we typically experience a stronger second half to our fiscal year, our consolidated sales are not subject to significant seasonal fluctuations. Results for the year ended August 31, 2020 were not consistent with historical trends due to the impacts from the COVID-19 pandemic which negatively impacted our results of operations in the third and fourth quarter of fiscal 2020.

Percentages of Sales by Fiscal Quarter

	2020	2019
Quarter 1 (September - November)	30 %	24 %
Quarter 2 (December - February)	27 %	24 %
Quarter 3 (March - May)	21 %	27 %
Quarter 4 (June - August)	22 %	25 %
	100 %	100 %

Employees

At August 31, 2020, we had approximately 2,300 employees. Our employees are not subject to collective bargaining agreements and we do not have any employees with government-mandated collective labor agreements other than certain industry agreements in the Netherlands and Spain. We believe we have a good working relationship with our employees globally.

Environmental Matters

Our operations, like those of most industrial businesses, are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those regulating air and wastewater discharges, the storage and disposal of hazardous materials and the clean-up of soil and groundwater contamination. We believe that we are in material compliance with applicable environmental regulations. Compliance with these laws requires expenditures on an ongoing basis. However, environmental expenditures over the last three years have not been material. Soil and groundwater contamination has been identified at certain facilities that we operate or formerly owned or operated. We are also a party to certain state and local environmental matters and have provided environmental indemnifications for certain divested businesses.

Executive Officers of the Registrant

The names, ages and positions of all of the executive officers of the Company as of October 15, 2020 are listed below.

Name	Age	Position
Randal W. Baker	57	President and Chief Executive Officer
Rick T. Dillon	49	Executive Vice President and Chief Financial Officer
Barbara G. Bolens	59	Executive Vice President and Chief Strategy Officer
Fabrizio R. Rasetti	54	Executive Vice President—General Counsel, Secretary and Global Human Resources
J. Jeffrey Schmaling	61	Executive Vice President and Chief Operating Officer

Randal W. Baker, President, Chief Executive Officer. Mr. Baker was appointed President and Chief Executive Officer of the Company in March 2016. Prior to joining the Company, Mr. Baker held multiple roles during a six-year tenure at Joy Global, including most recently as Chief Operating Officer. Prior to Joy Global, Mr. Baker was an executive with Case New Holland Inc., holding a variety of roles including President and CEO of its agricultural equipment business. Mr. Baker also held diverse leadership roles in marketing, sales, product development and engineering at Komatsu America Corporation, Ingersoll-Rand and Sandvik Corporation.

Rick T. Dillon, Executive Vice President and Chief Financial Officer, joined the Company in December 2016. Prior to joining the Company, Mr. Dillon served as Executive Vice President and Chief Financial Officer of Century Aluminum Co. Prior to that, Mr. Dillon served as Vice President-Finance Global Surface Mining Group and Vice President-Controller and Chief Accounting Officer of Joy Global Inc. from 2009 to 2014. Prior to Joy Global, Mr. Dillon served as Vice President-Business Planning and Analysis and Vice President-Controller and Chief Accounting Officer at Newell Brands, and Vice President-Controller and Chief Accounting Officer at Briggs & Stratton Corporation.

Barbara G. Bolens, Executive Vice President and Chief Strategy Officer, joined the Company in August 2018 as Vice President of Investor Relations and Corporate Strategy and was appointed Executive Vice President and Chief Strategy Officer in October 2019. Prior to joining the Company, Ms. Bolens spent over six years at Komatsu Mining Corporation (formerly Joy Global Inc.) as its VP and Treasurer. Prior to Komatsu, she held financial leadership positions of progressive responsibility at several other multinational corporations as well as early career leadership roles in sales and marketing.

Fabrizio R. Rasetti, Executive Vice President—General Counsel, Secretary and Global Human Resources, joined the Company in May 2018 from Boart Longyear where he held the position of Senior Vice President, General Counsel and Secretary since 2006. For the ten years prior he worked at SPX Corporation in roles of increasing responsibility including Segment General Counsel & Vice President, Business Development, Flow Segment. Earlier in his career he worked in private law practice.

J. Jeffrey Schmaling, Executive Vice President and Chief Operating Officer, joined the Company in February 2018. Prior to joining the Company, he held the position of President, North America for Komatsu Mining Corporation (formerly Joy Global Inc.) since 2010. Prior to that, he served as Senior Director Dealer Development and Account Management at Case International Harvester, a Division of Fiat S.p.A. Earlier in his 30-plus-year career he held various sales, marketing and product development roles.

Item 1A. Risk Factors

The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing the Company. If any of the events contemplated by the following risks occurs, our business, financial condition, or results of operations could be materially adversely affected. Additional risks and uncertainties not currently known to us, or that we currently believe are immaterial, also may adversely impact our business, including our ability to execute our strategic growth and profitability objectives.

Risks Related to COVID-19

We have been and continue to be negatively impacted by the COVID-19 pandemic and its related impacts to our employees, operations, customers and suppliers.

The COVID-19 pandemic is adversely affecting, and is expected to continue to adversely affect, our business and we have experienced and expect to continue to experience, reductions in both the demand for certain of our products and services and the ability of our global teams and suppliers to produce and deliver those products and services. As COVID-19 has spread, it has significantly impacted the health and economic environment around the world. The impact of the COVID-19 pandemic on general economic conditions, and more damaging effects on certain markets, such as oil & gas, are having and will continue to have negative implications on demand for our products and services. During the latter half of the fiscal year ended August 31, 2020, we experienced significant reductions in the volume of sales compared to our prior-year level.

While our supply chain has not been significantly impacted to date, we continue to develop new sources of supply and implement additional strategies to mitigate potential supply impacts of the pandemic. We cannot, however, ensure that the scope or duration of supply chain interruptions will not adversely impact our operations or that our mitigation strategies will continue to be sufficient or effective. To the extent the impacts on the supply chain have remained modest, in part due to our reduced purchasing levels, we could see greater impacts if the supply chain is not able to produce and ship goods commensurate with the timing and pace of our demand recovery. Therefore, uncertainties with respect to the severity and duration of the COVID-19 outbreak, the terms of related governmental orders restricting activities globally, and the timing and pace of an economic recovery may adversely impact our ability to meet customer demand.

In addition, certain of our facilities and the facilities of our customers and suppliers may be prevented from conducting business activities, our customers may be prevented from purchasing our products, and we may be unable to purchase necessary materials from vendors due to localized COVID-19 outbreaks, shutdowns, shelter-in-place orders, import restrictions or other preventative measures that may be requested or mandated by governmental authorities. Although our operations have generally been treated as "essential" operations under applicable government orders restricting business activities that have been issued to date, and accordingly have been permitted to continue to operate, it is possible that they may not continue to be so treated under future government orders, or, even if so treated, site-specific health and safety concerns might otherwise require certain of our operations to be halted for some period of time. The operations of all our facilities have been affected in terms of employee protective measures, including social distancing and personal protection equipment measures. These measures will continue to affect the efficiency of our operations for the foreseeable future.

Our results of operations may continue to be adversely affected in other areas of the world that may continue to experience COVID-19 outbreaks and that may be subject to governmental restrictions affecting business activities that impact the demand for our products and services or prevent us from fully operating in those jurisdictions. In addition, we may be unable to secure adequate supply of necessary components that are manufactured in areas that remain subject to governmental restrictions.

Risks Related to Economic Conditions

Deterioration of, or instability in, the domestic and international economy and challenging end-market conditions could impact our ability to grow the business and adversely impact our ability to execute our strategy, financial condition, results of operations and cash flows.

Our businesses and operating results have been, and will continue to be, affected by domestic and international economic conditions. The level of demand for our products is affected by general economic and business conditions in our served end markets. A substantial portion of our revenues is derived from customers in cyclical industries (such as the industrial and oil & gas sectors) that typically are adversely affected in periods of economic contraction or volatility. In such periods, our customers may experience deterioration of their businesses, which may reduce or delay our sales. We have experienced contraction and challenging demand conditions in many of our served markets, including the oil & gas and infrastructure markets. We have implemented certain restructuring initiatives aimed at reducing our cost structure and improving operational performance in response to those market conditions. Further deterioration in market conditions could result in the Company implementing additional restructuring initiatives. Such initiatives could result in restructuring costs, including facility consolidations, workforce reductions and structural realignment. Although we expect that the related cost savings and realization of efficiencies

will offset the restructuring related costs over time, we may not achieve the desired net benefits of these efforts (seeNote 3, "Restructuring Charges" and "Business Update" within Item 7 for further discussion of our restructuring activities and future anticipated cost savings).

Recent disruptions in global oil markets have adversely affected our business and results of operations and similar events in the future may adversely affect our business and results.

As a result of the political tensions between several large oil producing countries, there was a substantial decline in oil prices that occurred during the latter half of the fiscal year ended August 31, 2020. In addition, decreases in demand for oil due to the disruption caused by the COVID-19 pandemic has negatively affected oil prices, as well as impacted accessibility to job sites. A portion of our revenues is derived from customers in the midstream and downstream oil & gas industry and business with these customers and our results of operations during that period, were adversely affected by these events. To the extent that the COVID-19 pandemic and/or political tensions continue to significantly depress the price of oil, or global oil markets experience similar disruptions in the future, our business, results of operations and financial condition may be materially adversely affected.

Large or rapid increases in the costs of commodities and raw materials, including impact of tariffs, or substantial decreases in their availability could adversely affect our operations.

The primary raw materials that are used in our products include steel, plastic resin, brass, steel wire and rubber. Most of our suppliers are not currently parties to long-term contracts with us. Consequently, we are vulnerable to fluctuations in prices of such raw materials, including the impact of tariffs. Factors such as supply and demand, freight costs and transportation availability, inventory levels, the level of imports and general economic conditions may affect the prices of raw materials we need. If we experience a significant increase in raw material prices, or if we are unable to pass along increases in raw material prices to our customers, our results of operations could be adversely affected. In addition, an increasing portion of our products are sourced from low-cost regions. Changes in export regulations, taxes, tariffs and disruptions in transportation routes or supply from regions that we source commodities and raw materials could adversely impact our results of operations.

Uncertainty over global tariffs, or the financial impact of tariffs, may negatively affect our results.

Changes in U.S. domestic and global tariff frameworks have increased our costs of producing goods and resulted in additional risks to our supply chain. We have developed and implemented strategies to mitigate previously implemented and, in some cases, proposed tariff increases, but there is no assurance we will be able to continue to mitigate prolonged tariffs. Further, uncertainties about future tariff changes could result in mitigation actions that prove to be ineffective or detrimental to our business.

Risks Related to Our Business and Operations

A material disruption at a significant manufacturing facility could adversely affect our ability to generate sales and result in increased costs that we cannot recover.

Our financial performance could be adversely affected due to our inability to meet customer demand for our products or services in the event of a material disruption at one of our significant manufacturing or services facilities. Equipment failures, natural disasters, power outages, fires, explosions, terrorism, adverse weather conditions, labor disputes or other influences could create a material disruption. Interruptions to production could increase our cost of sales, harm our reputation and adversely affect our ability to attract or retain our customers. Our business continuity plans may not be sufficient to address disruptions attributable to such risks. Any interruption in production capability could require us to make substantial capital expenditures to remedy the situation, which could adversely affect our financial condition and results of operations.

Our significant reliance on third-party suppliers for components for the manufacture, assembly and sale of our products, including a supply chain interruption due to political tensions with China or the COVID-19 pandemic, involves risks.

We rely on suppliers to secure component products and finished goods required for the manufacture and assembly of our products, and, in some cases, we have consolidated our purchases of such components with one or few suppliers. Further, a significant portion of our suppliers are located in China. A disruption in deliveries to or from key suppliers, or decreased availability of components or commodities, either due to political tensions with China, COVID-19 impacts or other causes could have an adverse effect on our ability to meet our commitments to customers or increase our operating costs. Further, poor supplier quality or an insecure supply chain could adversely affect the availability, reliability, performance and reputation of our products. Our business, competitive position, results of operations or financial condition could be negatively impacted if supply is insufficient for our operations or if we are unable to adjust our production schedules or our purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

Our business operates in highly competitive markets, so we may be forced to cut prices or incur additional costs.

Our business generally faces substantial competition, domestically and internationally, in our end markets. We may lose market share in certain businesses or be forced to reduce prices or incur increased costs to maintain existing business. We compete globally on the basis of product design, quality, availability, performance and customer service. Present or future competitors in our markets may have new technologies or more attractive products and services or greater financial, technical or other resources which could put us at a competitive disadvantage. In addition, some of our competitors may be willing to reduce prices and accept lower margins to compete with us.

Our international operations pose political, currency and other risks.

We expect sales from and into foreign markets to continue to represent a significant portion of our revenue. In addition, many of our manufacturing operations and suppliers are located outside the United States, including China, the United Kingdom and the Netherlands. Our international operations present significant and varied risks, such as from political tensions among China and the United States, the uncertainties surrounding the United Kingdom's withdrawal from the European Union, currency exchange rate fluctuations, exposure to local economic and political conditions, export and import restrictions and controls on repatriation of cash. Foreign currency exchange rates result in volatility in our financial results, as over one-third of our sales are generated outside of the United States in currencies other than the U.S. dollar. In addition, United States tax reform has significantly changed how foreign operations are taxed in the United States. Therefore, we continue to review our organizational structure, and changes to where income is generated, may have a material adverse effect on our liquidity and results of operations. To the extent that we expand our international presence, these risks may increase.

Our customers and other business partners often require terms and conditions that expose us to significant risks and liabilities.

We operate in end markets and industries in which our customers and business partners seek to contractually shift significant risks associated with their operations or projects to us. We structure our commercial and contracting practices to assess and manage the risks we are assuming, but we cannot assure that material liabilities will not arise from our contracts with our business partners. Also, our contracting standards may be more stringent than those of certain competitors, and as a result, we may experience market share losses or the reduction in growth opportunities.

Risks Related to Legal, Compliance and Regulatory Matters

We are subject to many laws and regulations that may change in ways that are detrimental to our competitiveness or results.

Our businesses are subject to regulation under a broad range of U.S. and foreign laws and regulations. Some of those laws and regulations may change in ways that will require us to modify our business practices and objectives in ways that adversely impact our financial condition or results of operations, including by restricting existing activities and products, subjecting our operations to escalating costs or prohibiting us from operating in certain jurisdictions. Examples of laws or regulations that may have an adverse effect on our operations, financial condition and growth strategies include tax law, export and import controls, anti-corruption law, competition law, data privacy regulations, currency controls and economic or political sanctions.

Legal compliance risks could result in significant costs to our business or cause us to restrict current activities or curtail growth plans.

We directly or indirectly operate in industries, markets and jurisdictions in which we are exposed to compliance risks and that are subject to significant scrutiny by regulators, governmental authorities and other persons. We structure and strengthen our risk management and compliance programs to mitigate such risks and foster compliance with all applicable laws, but our practices may not be sufficient to eliminate these risks. The global and diverse nature of our operations, the complex and high-risk nature of some of our markets, our reliance on third-party agents and representatives to support sales and other business activities, and increasingly stringent laws and enforcement activities could result in violations of law, enforcement actions or private litigation resulting in significant defense and investigation costs, fines and penalties, and a broad range of remedial actions, including potential restrictions on our operations and other adverse changes to our business plans. See Note 16, "Commitments and Contingencies" in the notes to the consolidated financial statements for additional information about compliance risks.

Health, safety and environmental laws and regulations may result in additional costs.

We are subject to federal, state, local and foreign laws and regulations governing public and worker health and safety. Violations of these laws could result in significant harm and financial liabilities that could adversely affect our operating results and reputation. Pursuant to such laws, governmental authorities have required us to contribute to the cost of investigating or remediating certain matters at current or previously owned and operated sites. In addition, we have provided environmental indemnities for previously owned operations in connection with the sale of certain businesses and product lines. Liability as an owner or operator, or as an arranger for the treatment or disposal of hazardous substances, can be joint and several and can be imposed without regard to fault. There is a risk that costs relating to these matters could be greater than what we currently expect or exceed our insurance coverage, or that additional remediation and compliance obligations could arise which require us to make material expenditures. More stringent environmental laws, unanticipated remediation requirements or the discovery of previously unknown conditions could materially harm our financial condition and operating results. We are also required to comply with environmental laws and regulations to maintain operating permits and licenses, some of which are subject to discretionary renewal from time to time, for many of our businesses, and our business operations could be restricted if we are unable to renew existing permits or to obtain any additional permits that we may require.

Costs and liabilities arising from legal proceedings could be material and adversely impact our financial results.

We are subject to legal and regulatory proceedings, including litigation asserting product liability and warranty claims. We maintain insurance and have established reserves for these matters as appropriate and in accordance with applicable accounting standards and practices. Insurance coverage, to the extent it is available, may not cover all losses arising from such contingencies. Also, estimating legal reserves or possible losses involves significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations, and the actual losses arising from particular matters may exceed our current estimates and adversely affect our results of operations. We also expect that additional legal proceedings and other contingencies will arise from time to time, and we cannot predict the occurrence, magnitude and outcome of such additional matters. Moreover, we operate in jurisdictions where claims involving us may be adjudicated within legal systems that are less developed and less reliable than those of the U.S. or other more developed markets, and this can create additional uncertainty about the outcome of proceedings before courts or other governmental bodies in such markets.

Risks Related to the Execution of Our Strategy

If we fail to develop new products, or customers do not accept our new products, our business could be adversely affected.

Our ability to develop innovative new products can affect our competitive position and often requires the investment of significant resources. Difficulties or delays in research, development, production or commercialization of new products, or failure to gain market acceptance of new products and technologies, may reduce future sales and adversely affect our competitive position. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages or that we can recover major research and development expenses. If we fail to make innovations, launch products with quality problems, experience development cost overruns, or the market does not accept our new products, then our financial condition, results of operations, cash flows and liquidity could be adversely affected.

Our growth strategy includes strategic acquisitions, which we may not be able to consummate or successfully integrate.

We plan to make acquisitions to grow our business, enhance our global market position and broaden our industrial tools product offerings. Our ability to successfully execute acquisitions will be impacted by factors including the availability of financing on terms acceptable to us, the potential reduction of our ability or willingness to incur debt to fund acquisitions due to COVID-19 impacts on our financial results, the reluctance of target companies to sell in current markets, our ability to identify acquisition candidates that meet our valuation parameters and increased competition for acquisitions. The process of integrating acquired businesses into our existing operations also may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. Although we expect to successfully integrate any acquired businesses, we may not achieve the desired net benefit in the timeframe planned. Failure to effectively execute our acquisition strategy or successfully integrate the acquired businesses could have an adverse effect on our competitive position, reputation, financial condition, results of operations, cash flows and liquidity.

We may not be able to realize planned benefits from acquired companies.

We may not be able to realize planned benefits from acquired companies. Achieving those benefits depends on the timely, efficient and successful execution of a number of post-acquisition events, including integrating the acquired business into the Company. Factors that could affect our ability to achieve these benefits include:

- difficulties in integrating and managing personnel, financial reporting and other systems used by the acquired businesses;
- the failure of acquired businesses to perform in accordance with our expectations;
- failure to achieve anticipated synergies between our business units and the business units of acquired businesses;
- the loss of customers of acquired businesses;
- the loss of key managers and employees of acquired businesses; or
- other material adverse events in the acquired businesses.

If acquired businesses do not operate as we anticipate, it could materially impact our business, financial condition and results of operations.

The indemnification provisions of acquisition agreements may result in unexpected liabilities.

Certain acquisition agreements from past and current acquisitions require the former owners to indemnify us against certain liabilities related to the operation of each of their companies. In most of these agreements, the liability of the former owners is limited to specific warranties given in the agreement as well as in amount and duration. Certain former owners also may not be able to meet their indemnification responsibilities. As a result of those limitations, we may face unexpected liabilities that adversely affect our profitability and financial position.

Divestitures and discontinued operations could negatively impact our business, and retained liabilities from businesses that we have sold could adversely affect our financial results.

In connection with the execution of our strategy to become a pure-play industrial tools and services company, we have recently completed several divestitures, including the divestiture of our former EC&S segment. These divestitures pose risks and challenges that could negatively impact our business, including retained liabilities related to divested businesses, obligations to indemnify buyers against contingent liabilities and potential disputes with buyers.

If we do not realize the expected benefits of these divestitures or our post-completion liabilities and continuing obligations are substantial and exceed our expectations, our consolidated financial position, results of operations and cash flows could be negatively impacted. Any divestiture may result in a dilutive impact to our future earnings if we are unable to offset the dilutive impact from the loss of revenue and profits associated with the divestiture, as well as significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition.

Our goodwill and other intangible assets represent a substantial amount of our total assets.

Our total assets reflect substantial intangible assets, primarily goodwill. As of August 31, 2020, goodwill and other intangible assets totaled $344 million, or 42% of our total assets. The goodwill results from acquisitions, representing the excess of the purchase price over the fair value of the net tangible and other identifiable intangible assets we have acquired. We assess annually whether there has been impairment in the value of our goodwill or indefinite-lived intangible assets. If future operating performance at one or more of our reporting units were to fall below current levels, we could be required to recognize a non-cash charge to operating earnings to impair the related goodwill or other intangible assets. There were no goodwill impairment charges and negligible intangible asset impairment charges in fiscal 2020 (see Note 6, "Goodwill, Intangible Assets and Long-Lived Assets" and "Critical Accounting Estimates" for further discussion on goodwill, intangible asset and long-lived asset impairments). Any future goodwill or intangible asset impairments could negatively affect our financial condition and results of operations.

Risks Related to Our Capital Structure

Our indebtedness could harm our operating flexibility and competitive position.

We have incurred, and may in the future incur, significant indebtedness in connection with acquisitions or other strategic growth initiatives. We have, and expect we will continue to have, a substantial amount of debt which requires interest and principal payments ($255 million outstanding on our revolving credit facility at August 31, 2020). Our level of debt and the limitations imposed on us by our debt agreements could adversely affect our operating flexibility and put us at a competitive disadvantage.

Our ability to make scheduled principal and interest payments, refinance our indebtedness and satisfy our other debt and lease obligations will depend upon our future operating performance and credit market conditions, which could be adversely affected by factors beyond our control. In addition, there can be no assurance that future borrowings or equity financings will be available to us on favorable terms, or at all, for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, our business, financial condition and results of operations will be adversely affected.

The financial and other covenants in our debt agreements may adversely affect us.

Our Senior Credit Facility contains financial and other restrictive covenants. These covenants could limit our financial and operating flexibility as well as our ability to plan for and react to market conditions, meet our capital needs and support our strategic priorities and initiatives. Our failure to comply with these covenants also could result in events of default which, if not cured or waived, could require us to repay indebtedness before its due date, and we may not have the financial resources or otherwise be able to arrange alternative financing to do so. Our compliance with the covenants of our Senior Credit Facility may be adversely affected by severe market contractions or disruptions, such as those caused by the COVID-19 pandemic, to the extent they reduce our earnings for a prolonged period and we are not able to reduce our debt levels or cost structure accordingly. Borrowings under our Senior Credit Facility are secured by most domestic personal property assets and are guaranteed by most of our domestic subsidiaries and by a pledge of the stock of most of our domestic and certain foreign subsidiaries. If borrowings under our Senior Credit Facility were declared or became due and payable immediately as the result of an event of default and we were unable to repay or refinance those borrowings, our lenders could foreclose on the pledged assets and stock. Any event that requires us to repay any of our debt before it is due could require us to borrow additional amounts at unfavorable borrowing terms, cause a significant reduction in our liquidity and impair our ability to pay amounts due on our indebtedness. Moreover, if we are required to repay any of our debt before it becomes due, we may be unable to borrow additional amounts or otherwise obtain the cash necessary to repay that debt, when due, which could have a material adverse effect on our business, financial condition and liquidity.

Risks Related to Other Matters

Our inability to attract, develop and retain qualified employees could have a material adverse impact on our operations.

Our ability to deliver financial results and drive growth and pursue competitive advantages in our business substantially depends on our ability to retain key employees and continually attract new talent to the business. If we experience losses of key employees, such as our Chief Executive Officer and Chief Financial Officer, or experience significant delays or difficulty in replacing them, our operations, competitive position and financial results may be adversely affected. Competition for highly qualified personnel is intense, and our competitors and other employers may attempt to hire our skilled and key employees. Additionally, we need qualified managers and skilled employees with technical and manufacturing industry experience to operate our businesses successfully. From time to time there may be shortages of skilled labor which may make it more difficult and expensive for us to attract and retain qualified employees or lead to increased labor costs.

Cyber security vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions, services and data.

Increased global cyber security vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber-related attacks, as well as cyber security failures resulting from human error and technological errors, pose a risk to our systems, operations and products and potentially those of our business partners. An attack also could result in security breaches, theft, lost or corrupted data, misappropriation of sensitive, confidential or personal data or information, loss of trade secrets and commercially valuable information, production downtimes and operational disruptions. We attempt to mitigate these risks by employing measures including employee training, monitoring and testing, and maintenance of protective systems and contingency plans, but we remain potentially vulnerable to additional known or unknown threats. There is no assurance the financial or operational impact from such threats will not be material.

Our intellectual property portfolio may not prevent competitors from developing products and services similar to or duplicative to ours, and the value of our intellectual property may be negatively impacted by external dependencies.

Our patents, trademarks and other intellectual property may not prevent competitors from independently developing or selling products and services functionally equivalent or superior to our own or adequately deter misappropriation or improper use of our innovations and technology. In addition, further steps we take to protect our intellectual property, including non-disclosure agreements, may not prevent the misappropriation of our business critical secrets and information. In such circumstances, our competitive position and the value of our brand may be negatively impacted.

Our competitors or other persons could assert that we have infringed their intellectual property rights.

We may be the target of enforcement of patents or other intellectual property rights by third parties. We have implemented legal reviews and other controls in our new product development and marketing processes system to mitigate the risk of infringing third-party rights, but those controls may not prove adequate or deter all claims. Responding to infringement claims, regardless of their merits, can be expensive and time consuming. If we are found to infringe any third-party rights, we could be required to pay substantial damages or we could be enjoined from offering some of our current products and services.

Geopolitical unrest and terrorist activities may cause the economic conditions in the U.S. or abroad to deteriorate, which could harm our business.

Terrorist attacks against targets in the U.S. or abroad, rumors or threats of war, other geopolitical activity or trade disruptions may cause general economic conditions in the U.S. or abroad to deteriorate. The occurrence of any of these events could result in a prolonged economic slowdown or recession in the U.S. or in other areas and could have a significant impact on our business, financial condition or results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of August 31, 2020, we owned or leased the following facilities (square footage in thousands):

	Number of Locations			Square Footage		
	Manufacturing	Distribution / Sales / Admin	Total	Owned	Leased	Total
Industrial Tools & Services	13	35	48	213	988	1,201
Corporate and Other	5	5	10	353	384	737
	18	40	58	566	1,372	1,938

We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. Our largest facilities are located in the United States, the United Kingdom, China, the Netherlands and Spain. We also maintain a presence in Australia, Azerbaijan, Brazil, France, Germany, India, Italy, Japan, Kazakhstan, Norway, Singapore, South Africa, South Korea and the United Arab Emirates. See Note 10, “Leases” in the notes to the consolidated financial statements for information regarding our lease commitments.

Item 3. Legal Proceedings

We are a party to various legal proceedings that have arisen in the normal course of business. These legal proceedings typically include product liability, breaches of contract, employment, personal injury and other disputes.

We have recorded reserves for estimated losses based on the specific circumstances of each case. Such reserves are recorded when it is probable that a loss has been incurred as of the balance sheet date and the amount of the loss can be reasonably estimated. In our opinion, the resolution of these contingencies is not likely to have a material adverse effect on our financial condition, results of operations or cash flows. For further information refer to Note 16, “Commitments and Contingencies” in the notes to the consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The Company’s Class A common stock is traded on the New York Stock Exchange under the symbol EPAC. As of September 30, 2020, there were 1,165 shareholders of record of the Company's Class A common stock.

Dividends

In fiscal 2020, the Company declared a dividend of $0.04 per common share payable on October 19, 2020 to shareholders of record on October 2, 2020. In fiscal 2019, the Company declared a dividend of $0.04 per common share payable on October 14, 2019 to shareholders of record on September 27, 2019.

Share Repurchases

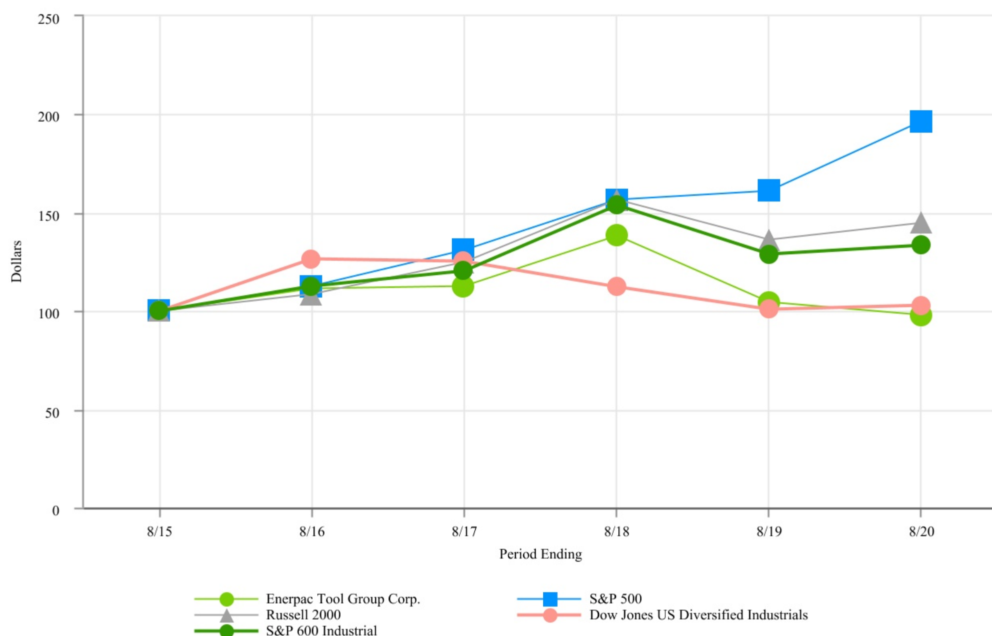
The Company's Board of Directors has authorized the repurchase of shares of the Company's common stock under publicly announced share repurchase programs. Since the inception of the initial share repurchase program in fiscal 2012, the Company has repurchased 22,799,230 shares of common stock for $668 million with 5,200,770 shares remaining authorized for additional repurchases under the program. There were no share repurchases during the fourth quarter of fiscal 2020

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is provided under Item 12, *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*, which is incorporated herein by reference.

Performance Graph:

The graph below compares the cumulative 5-year total return of the Company's Class A common stock with the cumulative total returns of the S&P 500 index, the Russell 2000 Index, the Dow Jones US Diversified Industrials index and the S&P 600 Industrial index. Prior to the divestiture of our EC&S segment, we benchmarked results of the Company to the S&P 500 index and the Dow Jones USD Diversified Industrials index. However, in light of the divestiture and our focus as a pure-play industrial tools and services company, we now benchmark ourselves against the Russell 2000 Index and the S&P Industrial 600 index. The graph tracks the performance of a $100 investment in our Class A common stock and in each of the indexes (assuming the reinvestment of all dividends) from August 31, 2015 to August 31, 2020.



*$100 Invested on 8/31/15 in stock or index, including reinvestment of dividends.
Fiscal year ending August 31.

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	8/15	8/16	8/17	8/18	8/19	8/20
Enerpac Tool Group Corp.	$ 100.00	$ 111.40	$ 112.62	$ 138.13	$ 104.32	$ 97.88
S&P 500	100.00	112.55	130.82	156.55	161.12	196.47
Russell 2000	100.00	108.59	124.79	156.54	136.36	144.57
Dow Jones US Diversified Industrials	100.00	126.55	125.11	112.14	100.90	102.78
S&P 600 Industrial	100.00	112.40	120.50	153.72	128.98	133.43

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. Selected Financial Data

The following selected historical financial data have been derived from the consolidated financial statements of the Company. The data should be read in conjunction with these financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended August 31,				
	2020	2019	2018	2017	2016
	(in millions, except per share data)				
Statement of Operations Data[1][2]:					
Net sales	$ 493	$ 655	$ 641	$ 617	$ 687
Gross profit	217	293	283	261	291
Selling, administrative and engineering expenses	181	209	210	208	203
Amortization of intangible assets	8	9	9	9	11
Director & officer transition charges	—	—	—	8	—
Restructuring charges	7	4	11	3	9
Impairment & divestiture (benefit) charges	(3)	23	3	117	130
Operating profit (loss)	24	48	50	(84)	(62)
Earnings (loss)	6	8	5	(95)	(62)
Diluted earnings (loss) per share	$ 0.09	$ 0.13	$ 0.08	$ (1.60)	$ (1.05)
Cash dividends per share declared	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.04
Diluted weighted average common shares	60,269	61,607	61,028	59,436	59,010
Balance Sheet Data (at end of period)[2]:					
Cash	$ 152	$ 211	$ 250	$ 230	$ 180
Assets	824	1,124	1,485	1,517	1,439
Debt	255	460	533	562	580
Net debt (Debt less Cash)	103	249	283	332	400

(1) Results are from continuing operations and exclude the financial results of businesses classified as "Assets from discontinued operations" and "Liabilities from discontinued operations" on the Consolidated Balance Sheets and of previously divested businesses reported as discontinued operations.

(2) We have completed various acquisitions and divestitures that impact the comparability of the selected financial data specifically related to earnings (loss) from continuing operations. The results of operations for these acquisitions and divestitures are included in our financial results for all periods subsequent to their acquisition or prior to their divestiture date. The following tables summarize the acquisitions and divestitures that were completed during the last five fiscal years (amounts in millions):

Acquisition	Segment	Date Completed	Sales [a]	Purchase Price
HTL Group	Industrial Tools & Services	January 2020	$ 18	$ 33
Equalizer	Industrial Tools & Services	May 2018	6	6
Mirage Machines	Industrial Tools & Services	December 2017	12	17

(a) Represents approximate annual sales at the time of the acquisition.

Divestiture [b]	Segment	Date Completed	Sales [c]	Proceeds from Sale
Milwaukee Cylinder/UNI-LIFT Product Line	Industrial Tools & Services	December 2019	$ 13	$ 8
Connectors Product Line	Industrial Tools & Services	October 2019	$ 5	$ 3
Viking Business	Other	December 2017	$ 19	$ 9

(b) Divestiture of the EC&S Segment is not included in the table as it is classified as Discontinued Operations within the Consolidated Financial Statements.
(c) Represents annual sales in fiscal year prior to divestiture.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Background

The Company has one reportable segment, Industrial Tools & Service ("IT&S"). This segment is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools, as well as providing services and tool rental to the industrial, maintenance, infrastructure, oil & gas, energy and other markets. Financial information related to the Company's reportable segment is included in Note 15, "Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements.

Business Update

Our businesses provide an array of products and services across multiple markets and geographies which results in significant diversification. The IT&S segment continues to have exposure within thirteen vertical markets. We continue to execute our strategy to drive best in class returns for our shareholders, demonstrated by our acquisition of HTL Group in January 2020, our focus on improving commercial effectiveness, optimizing our global facility footprint and our heavy emphasis on new product development.

We remain focused on our long-term strategy of pursuing both organic and acquisition-related growth opportunities aligned with our strategic objectives. This includes the advancement of our commercial effectiveness initiatives along with new product development efforts. We also remain focused on our safety, quality, cost and delivery metrics across our manufacturing, assembly and service operations. Our IT&S segment is focused on accelerating global sales growth through new product introductions, a continued emphasis on sales effectiveness and more focused retail and wholesale marketing efforts. In addition, we remain focused on reducing our concentration in the oil & gas vertical markets by growing sales of critical products, rentals, and services with new and existing customers in other attractive vertical markets including power generation, non-commercial aerospace (military), rail and mining.

COVID-19 Update

Over the past two quarters of fiscal 2020, our business, like many others around the world, has experienced the significant negative financial impacts of the COVID-19 pandemic. Our key manufacturing facilities globally continued to operate with additional precautions in place to ensure the safety of our employees, and we have continued to supply our customers with the products and services they require. However, demand for our products has been significantly impacted, and we expect it will continue to be impacted to some extent for the remainder of the pandemic, as levels of uncertainty exist within our customers and our markets. In order to help mitigate the negative financial impact caused by the pandemic, we have executed, and continue to execute, a number of temporary cash and cost-savings measures including the cancellation of our fiscal 2020 bonus plan, employee furloughs, reduction of capital expenditures, suspension of employee benefit programs such as the 401(k) match, applications for governmental assistance programs, utilization of governmental regulations allowing for the deferral of certain tax payments and cuts to discretionary spend. In addition, we proactively amended our interest coverage ratio covenant in our Senior Credit Facility to mitigate the risk of non-compliance with said covenant should the pandemic have a longer duration. We will continue to evaluate and implement (if deemed necessary) cash and cost-savings measures in the near term in order to reduce the impact of the pandemic on our financial results. While we believe that the essential products we provide, along with our current strong balance sheet, will allow us to be well positioned for long-term growth after the pandemic, we cannot reasonably estimate the duration and severity of the COVID-19 pandemic, and accordingly, the ultimate impact it will have on our business, results of operations, and financial condition.

General Business Update

On October 31, 2019, the Company completed the previously announced sale of its former EC&S segment to wholly owned subsidiaries of BRWS Parent LLC, a Delaware limited liability company and affiliate of One Rock Capital Partners II, LP, for a purchase price of approximately $216 million (inclusive of final working capital adjustments).

On March 21, 2019, the Company announced a restructuring plan focused on i) the integration of the Enerpac and Hydratight businesses (IT&S segment), ii) the strategic exit of certain commodity type services in our North America Services operation (IT&S segment), and iii) driving efficiencies within the overall corporate structure. In the third quarter of fiscal 2020, the Company announced the expansion and revision of this plan, which further simplifies and flattens the corporate structure through elimination of redundancies between the segment and corporate functions, while enhancing our commercial and marketing processes to become even closer to our customers. Total restructuring charges associated with this restructuring plan were $7 million for the year ended August 31, 2020, related primarily to headcount reductions and facility consolidations. We anticipate achieving annual savings of $12 million to $15 million from the first phase of the plan and anticipate an additional annual savings of $12 million to $15 million from the expansion and revision of the plan. The annual benefit of these gross cost savings may be impacted by a number of factors, including annual incentive compensation differentials.

The Company also incurred approximately $2 million of restructuring costs within the Other operating segment in the year ended August 31, 2020, associated with a facilities consolidation. We anticipate realizing approximately $3 million to $5 million of annual savings associated with the actions and have started realizing these savings in fiscal 2020.

Historical Financial Data (in millions)

	Year Ended August 31,					
	2020		2019		2018	
Statements of Earnings Data: [(1)]						
Net sales	$ 493	100 %	$ 655	100 %	$ 641	100 %
Cost of products sold	276	56 %	362	55 %	358	56 %
Gross profit	217	44 %	293	45 %	283	44 %
Selling, administrative and engineering expenses	181	37 %	209	32 %	210	33 %
Amortization of intangible assets	8	2 %	9	1 %	9	1 %
Restructuring charges	7	1 %	4	1 %	11	2 %
Impairment & divestiture (benefit) charges	(3)	(1)%	23	4 %	3	0 %
Operating profit	24	5 %	48	7 %	50	8 %
Financing costs, net	19	4 %	28	4 %	31	5 %
Other (income) expense, net	(3)	(1)%	1	— %	—	0 %
Earnings before income tax expense	8	2 %	19	3 %	19	3 %
Income tax expense	2	— %	11	2 %	14	2 %
Net earnings	$ 6	1 %	$ 8	1 %	$ 5	1 %
Other Financial Data: [(1)]						
Depreciation	$ 12		$ 11		$ 11	
Capital expenditures	12		15		11	

[(1)] Results are from continuing operations and exclude the financial results of businesses classified as "Assets from discontinued operations" and "Liabilities from discontinued operations" on the Consolidated Balance Sheets and of previously divested businesses reported as discontinued operations.

Fiscal 2020 compared to Fiscal 2019

Consolidated sales from continuing operations in fiscal 2020 were $493 million, 25% lower than the prior-year sales of $655 million. Core sales decreased $117 million (20%) while strategic exits and divestitures of non-core product lines, net of current year acquisitions, accounted for a $38 million (6%) decrease in net sales. Changes in foreign currency exchange rates favorably impacted sales comparisons by 1%. The 20% decrease in core sales predominantly was a result of the significant declines in volume in the third and fourth quarter due to impacts of the COVID-19 pandemic and volatile oil prices. In addition, global economic uncertainty, predominantly in North America, caused slight year-over-year declines from volume in the first half of the fiscal year, and there were lower year-over-year service sales in the fiscal year as large projects in the Middle East and Asia in fiscal 2019 did not repeat in fiscal 2020. Gross profit margins remained relatively consistent year-over-year despite the substantial volume decrease as we benefited from the strategic exit of certain low-profit product and service lines in fiscal 2020, executed certain temporary cost-reduction actions such as furloughs and other temporary wage reduction measures, and we saw a greater impact from COVID-19 to our service revenue stream, which generally has lower gross profit margins than our product sales. Operating profit was $24 million lower in fiscal 2020 as compared to fiscal 2019 as a result of the $76 million decrease in gross profit driven by the decline in net sales volume, offset by cost reduction actions to reduce selling, administrative, and engineering expenses ("SAE"), and impairment & divestiture benefits in the current year as opposed to charges in the prior year. SAE decreased $28 million, predominantly due to the benefit from restructuring actions and a decrease in commissions expense as a result of the reduction in sales volumes, as well as temporary cost reduction measures in response to the COVID-19 pandemic including the termination of our fiscal 2020 bonus plan, furloughs and other temporary wage reduction programs, and other discretionary spending initiatives. In addition, we received approximately $1.1 million of COVID-19 relief governmental support in certain foreign jurisdictions. With respect to impairment and divestiture charges, in fiscal 2020, we incurred a net benefit of $3 million due to the benefit from the divestitures of our Connectors and UNI-LIFT product lines, partially offset by the impairment and divestiture charges associated with the divestiture of our Milwaukee Cylinder business. In fiscal 2019, we incurred $14 million of goodwill impairment charges associated with triggering events impacting Cortland U.S., $6 million of impairment & divestiture charges associated with the impairment of a customer

relationship intangible in connection with the strategic exit of certain North America service offerings and $3 million of trade name impairment & divestiture charges associated with a re-branding strategy which will ultimately eliminate the use of certain secondary brands within the IT&S segment that were previously determined to be indefinite-lived. Financing costs also decreased in fiscal 2020 as we utilized the proceeds from the sale of EC&S in the first quarter of the fiscal year to pay off the remaining $175 million principal on our term loan and in the fourth quarter of fiscal 2020, we redeemed our 5.625% senior notes by drawing on our revolving credit facility which provided modest interest savings during our fourth quarter and will provide over $10 million of annual savings at current interest rates. These savings were partially offset as we expensed $2 million of capitalized debt issuance costs associated with the accelerated repayment of our term loan and redemption of our senior notes. Our income tax expense decreased for reasons discussed in the Income Tax Expense section below.

Fiscal 2019 compared to Fiscal 2018

Consolidated sales from continuing operations in fiscal 2019 were $655 million, 2% higher than the prior year sales of $641 million. Core sales were up $26 million (4%), as a result of a 5% core sales increase in the IT&S segment. Changes in foreign currency exchange rates unfavorably impacted sales comparisons by 2%. Gross profit margins remained relatively consistent year-over-year. We benefited from our strategic exit of highly customized heavy lifting projects which historically provided lower gross profit margins, offset by higher service & rental sales which provide lower gross profit margins. Operating profit was lower in fiscal 2019 as compared to fiscal 2018 as a result of increased impairment and divestiture charges. In fiscal 2019, we incurred $14 million of goodwill impairment charges associated with triggering events impacting Cortland U.S., $6 million of impairment & divestiture charges associated with the impairment of a customer relationship intangible asset in connection with the strategic exit of certain North America service offerings and $3 million of trade name impairment & divestiture charges associated with a re-branding strategy which will ultimately eliminate the use of certain secondary brands within the IT&S segment that were previously determined to be indefinite-lived. In fiscal 2018, we incurred $3 million of impairment & divestiture charges associated with the divestiture of our Viking business. Financing costs also decreased in fiscal 2019 as a result of the execution of our capital allocation strategy to utilize cash to reduce our debt by $73 million over the course of fiscal 2019 in addition to reduced interest costs on our new Senior Credit Facility. Our income tax expense also decreased in fiscal 2019 as discussed in further detail within the Income Tax Expense section below.

Segment Results

Industrial Tools & Services Segment

The IT&S segment is a global supplier of branded hydraulic and mechanical tools and services to a broad array of end markets, including industrial, energy, mining and production automation markets. Its primary products include branded tools, cylinders, hydraulic torque wrenches and highly engineered heavy lifting technology solutions (Product product line). On the services side, we provide energy maintenance and manpower services to meet customer-specific needs and rental capabilities for certain of our products (Service & Rental product line). The following table sets forth the results of operations for the IT&S segment (in millions):

	Year Ended August 31,		
	2020	**2019**	**2018**
Net Sales	$ 455	$ 610	$ 591
Operating Profit	66	101	99
Operating Profit %	14.4 %	16.6 %	16.8 %

Fiscal 2020 compared to Fiscal 2019

Fiscal 2020 IT&S segment net sales decreased by $155 million (25%) from fiscal 2019 to $455 million. Core sales decreased $110 million (20%) year-over-year while strategic exits and divestitures of non-core product lines, net of current-year acquisitions, accounted for $38 million (6%) of the decrease. Changes in foreign currency exchange rates favorably impacted sales comparisons by 1%. The 20% decrease in core sales predominantly was a result of the significant declines in volume in the third and fourth quarter due to impacts of the COVID-19 pandemic and volatile oil prices. In addition, global economic uncertainty, predominantly in North America, caused slight year-over-year declines from volume in the first half of the fiscal year, and there were lower year-over-year service sales in the fiscal year as large projects in the Middle East and Asia in fiscal 2019 did not repeat in fiscal 2020.

Fiscal 2020 operating profit decreased $35 million (35%) from the prior year. The operating profit decrease was a result of the $72 million decrease in gross profit as a result of the sales volume decline, partially offset by a $23 million decrease in selling, administrative, and engineering costs and a $12 million decrease in impairment and divestiture charges. The $23 million decrease in SAE was predominantly due to the benefit from restructuring actions and a decrease in commissions expense as a result of the reduction in sales volumes, in addition to cost-reduction measures in response to the COVID-19 pandemic including the termination of our fiscal 2020 bonus plan, furloughs and other temporary wage reduction programs, and other discretionary spending initiatives. We also received approximately $1.1 million of COVID-19 relief governmental support in certain foreign jurisdictions. With respect to impairment and divestiture charges, in fiscal 2020, we incurred a net benefit of $3 million due to the benefit from the divestitures of our Connectors and UNI-LIFT product lines, partially offset by the impairment and divestiture charges associated with the divestiture of our Milwaukee Cylinder business. In fiscal 2019, we incurred $6 million of impairment & divestiture charges associated with the impairment of a customer relationship intangible in connection with the strategic exit of certain North America service offerings and $3 million of trade name impairment & divestiture charges associated with a re-branding strategy which will ultimately eliminate the use of certain secondary brands within the IT&S segment that were previously determined to be indefinite lived.

Fiscal 2019 compared to Fiscal 2018

Fiscal 2019 IT&S segment net sales increased by $19 million (3%) from fiscal 2018 to $610 million. Changes in foreign currency exchange rates unfavorably impacted sales comparisons by 3%, while the Mirage and Equalizer acquisitions increased net sales by 1%. The IT&S segment core sales increased $28 million (5%) on a year-over-year basis. Flat core sales for the Product product line reflected changing macroeconomic environments over the course of our fiscal year as strong growth in our core sales over the first three quarters of the fiscal year outweighed the strategic focus to exit heavy lifting technology projects which historically were at low margins, whereas the fourth quarter saw decelerating demand globally which was most reflected in our European operations. The core sales increase of 19% in the Service & Rental product line was the result of higher global maintenance activity levels as compared to the prior year, predominantly in our Middle East operations. Operating profit margins decreased from 16.8% in fiscal 2018 to 16.6% in fiscal 2019 primarily due to additional impairment & divestiture charges in fiscal 2019 as compared to fiscal 2018 (impairment & divestiture charges of $9 million related to tradename and customer relationship intangible impairments in fiscal 2019 with no impairment & divestiture charges in fiscal 2018) and sales mix, specifically the increased revenues from Middle East service & rental which have lower gross profit margins than our product sales, partially offset by increased margins in our product sales as a result of our strategic focus to exit heavy lifting technology projects which historically were at low margins. Restructuring charges were $4 million in both fiscal 2019 and 2018.

Corporate

Corporate consists of selling and administrative costs and expenses, including executive, legal, finance, and technology, that are not allocated to the segments based on their nature, as well as corporate costs previously allocated to the EC&S segment that must be excluded from discontinued operations based on their nature. Corporate expenses were $38 million in fiscal 2020 compared to $42 million in fiscal 2019. The decrease of $4 million is a result of the benefit of restructuring actions, positive experience in medical claims, and temporary cost-reduction actions in response to COVID-19 including the termination of our fiscal 2020 bonus plan, furloughs and other temporary wage reduction programs, and restrictions on travel and other discretionary spend. These were partially offset by $2 million of restructuring expenses associated with our strategic efforts to drive efficiency in the overall corporate structure (there were no restructuring charges in fiscal 2019) and an increase in business development costs, specifically costs associated with the acquisition of HTL Group.

Corporate expenses were $42 million in fiscal 2019 as compared to $44 million in fiscal 2018. A decrease in annual incentive amounts, as well as restructuring charges of $5 million in fiscal 2018 (no restructuring costs in fiscal 2019), partially offset by increased outsourced consulting fees resulted in a $2 million year-over-year cost reduction.

Net financing costs were $19 million, $28 million and $31 million in fiscal 2020, 2019 and 2018, respectively. Fiscal 2020 financing costs decreased as a result of the repayment in the first quarter of the remaining $175 million principal balance on our term loan with the proceeds from the EC&S divestiture, as well as the redemption of our 5.625% senior notes in the fourth quarter, funded by drawing on the revolving credit facility, which reduced interest rate expense due to the difference in interest rates. These actions were partially offset due to $2 million of additional interest expense recorded due to the accelerated write off of the remaining capitalized debt issuance costs associated with the early payoff of the term loan and redemption of the senior notes. Fiscal 2019 net financing costs decreased from fiscal2018 primarily as a result of the $73 million of term loan principal payments made throughout fiscal 2019 and lower interest rates resulting from our March 2019 Senior Credit Facility refinancing.

Income Tax Expense

The Company's income tax expense or benefit is impacted by a number of factors, including, among others, the amount of taxable earnings generated in foreign jurisdictions with tax rates that are different than the U.S. federal statutory rate, permanent items, state tax rates, changes in tax laws, acquisitions and divestitures and the ability to utilize various tax credits and net operating loss carryforwards. The Company's global operations, acquisition activity and specific tax attributes provide opportunities for continuous global tax planning initiatives to maximize tax credits and deductions. Income tax expense also includes the impact of provision to tax return adjustments, changes in valuation allowances and reserve requirements for unrecognized tax benefits. Pre-tax earnings, income tax expense and effective income tax rate from continuing operations for the past three years were as follows (in thousands):

	Year Ended August 31,		
	2020	2019	2018
Earnings before income tax expense	$ 7,849	$ 18,724	$ 19,196
Income tax expense	2,292	10,657	14,450
Effective income tax rate	29.2 %	56.9 %	75.3 %

The comparability of pre-tax earnings, income tax expense and the related effective income tax rates are impacted by impairment and other divestiture charges (benefits) as well as the Tax Cuts and Jobs Act (the "Act"), which was enacted on December 22, 2017. Fiscal 2020 results included $3 million of impairment and divestiture benefits, while fiscal 2019 and 2018 results included $23 million and $3 million of charges, respectively. A substantial portion of these charges (benefits) do not result in tax benefits. The fiscal 2020 tax provision included a tax benefit of $3 million related to legislative changes and additional guidance related to the Act as compared to a tax benefit of $2 million in fiscal 2019 and a tax charge of $6 million in fiscal 2018.

Both the fiscal 2020 and prior-year income tax provisions were impacted by the mix of earnings in foreign jurisdictions with income tax rates different than the U.S. federal income tax rate and income tax benefits from global tax planning initiatives. The Company's earnings before income taxes from continuing operations, excluding impairment and other divestiture charges, had over 75% of earnings from foreign jurisdictions for fiscal 2020, 2019 and 2018, which results in an effective tax rate that is higher than the current U.S. statutory tax rate of 21%. Excluding the impairment and divestiture charges (benefits), the fiscal 2020 effective tax rate was 32.5%, which is comparable to the fiscal 2019 effective tax rate of 30.2%. In general, the increase in the fiscal 2020 effective tax rate from the statutory 21% is largely driven by taxable earnings in jurisdictions with higher tax rates and non-creditable withholding tax.

Items Impacting Comparability

On December 1, 2017, the Company completed the sale of the Viking business, which had net sales from continuing operations of $3 million for the year ended August 31, 2018.

In fiscal 2018, the Company acquired the stock and certain assets of Mirage Machines, Ltd. ("Mirage") and the stock of Equalizer International, Limited ("Equalizer"). The acquired businesses generated combined net sales of $5 million, $14 million and $9 million for the years ended August 31, 2020, 2019 and 2018, respectively.

On January 7, 2020, the Company acquired the stock of HTL Group ("HTL"), a provider of controlled bolting products, calibration and repair services, and tool rental services, which contributed net sales of $6 million in fiscal 2020. During fiscal 2020, the Company completed the sale of the UNI-LIFT and Connectors product lines, as well as the Milwaukee Cylinder business, which contributed combined net sales of $3 million, $18 million and $11 million for the years ended August 31, 2020, 2019 and 2018, respectively.

Liquidity and Capital Resources

At August 31, 2020, cash and cash equivalents were $152 million, comprised of $130 million of cash held by foreign subsidiaries and $22 million held domestically. The following table summarizes the cash flow attributable to operating, investing and financing activities (in millions):

	Year Ended August 31,		
	2020	2019	2018
Net cash (used in) provided by operating activities	$ (3)	$ 54	$ 106
Net cash provided by (used in) investing activities	176	11	(63)
Net cash used in financing activities	(239)	(100)	(18)
Effect of exchange rate changes on cash	7	(5)	(4)
Net (decrease) increase in cash and cash equivalents	$ (59)	$ (40)	$ 21

Cash flow provided by operations was a use of $3 million in fiscal 202(, a decrease of $57 million from the prior year due to a $34 million decrease in cash flows from discontinued operations driven by the timing of the divestiture of the EC&S segment in the first quarter and a decrease in net earnings from continuing operations, exclusive of the impacts of impairment & divestiture (benefit) charges, of $26 million year-over-year. We generated $176 million of cash from investing activities in the current year from the divestiture of the EC&S business ($211 million, net, comprised of the sales price of $216 million, less closing costs of $3 million and $2 million of capital expenditures in fiscal 2020 prior to the divestiture date) and the divestiture of other non-core product lines ($10 million), offset by the HTL Group acquisition ($33 million) and capital expenditures ($12 million). We utilized the funds from the sale of EC&S to repay the remaining $175 million of outstanding principal on our term loan and utilized free cash flow and excess cash on hand to reduce the outstanding principal on our remaining debt by a net $33 million, in addition to repurchasing approximately 1 million shares of our outstanding common stock for $28 million.

Cash flow provided by operations was $54 million in fiscal 2019, a decrease of $52 million from the prior year due primarily to higher cash taxes paid, higher incentive compensation payouts in fiscal 2019, a change in the timing of our 401(k) plan Company match funding and additional cash usage associated with divestiture costs. We utilized the cash flow from operations, along with $36 million of cash from the sale of our PHI and Cortland Fibron businesses and excess cash on hand, for $73 million of principal payments on our then outstanding term loan ($43 million more than our required commitment as of August 31, 2018), $27 million of capital expenditures and to repurchase approximately 1 million shares of our outstanding common stock for approximately $22 million.

The Company's Senior Credit Facility is comprised of a $400 million revolving line of credit and provided for a $200 million term loan both scheduled to mature in March 2024 (see Note 7, "Debt" in the notes to the consolidated financial statements for further details of the Senior Credit Facility). As previously noted, the Company paid off the outstanding principal balance on the term loan in November 2019. Further, as noted in Note 7, "Debt", on June 15, 2020, the Company borrowed $295 million under the Senior Credit Facility revolving line of credit to fund the redemption of all of the outstanding Senior Notes at par, plus the remaining accrued and unpaid interest, in order to reduce interest costs in the current interest rate environment. The unused credit line and amount available for borrowing under the revolving line of credit was $140 million at August 31, 2020.

We believe that the revolver, combined with our existing cash on hand and anticipated operating cash flows, will be adequate to meet operating, debt service, acquisition and capital expenditure funding requirements for the foreseeable future.

Primary Working Capital Management

We use primary working capital as a percentage of sales as a key metric for working capital efficiency. We define this metric as the sum of net accounts receivable and net inventory less accounts payable, divided by the past three months' sales annualized. The following table shows the components of our primary working capital (in millions):

	August 31, 2020		August 31, 2019	
	$	PWC %	$	PWC %
Accounts receivable, net	$ 84	19 %	$ 126	20 %
Inventory, net	69	16 %	77	12 %
Accounts payable	(45)	(10) %	(77)	(12) %
Net primary working capital	$ 108	25 %	$ 126	20 %

Total primary working capital was $108 million atAugust 31, 2020, which decreased from $126 million at August 31, 2019. The primary working capital decrease related to decreased accounts receivable as a result of the substantial decrease in net sales in the third and fourth quarter of fiscal 2020 as a result of the COVID-19 pandemic, decreased inventory levels as part of the Company-wide initiative to reduce inventory levels to meet demand levels in the current COVID-19 environment, and a

decrease in accounts payable as a result of the decrease in volume of inventory purchases and other expenditures in the fourth quarter of fiscal 2020 in response to the economic environment created by the COVID-19 pandemic.

Our accounts receivable are derived from a diverse customer base spread across a number of industries, with our largest single customer generating approximately 3% of fiscal 2020 net sales from continuing operations.

Capital Expenditures

The majority of our manufacturing activities consist of assembly operations. We believe that our capital expenditure requirements are not as extensive as other industrial companies given the nature of our operations. Capital expenditures associated with continuing operations were $12 million, $15 million and $11 million in fiscal 2020, 2019 and 2018, respectively. Capital expenditures for fiscal 2021 are expected to be $10-$15 million, but could vary depending on business performance, changes in foreign currency exchange rates, the timing and extent of the impact from the COVID-19 pandemic and the amount of assets leased instead of purchased.

Commitments and Contingencies

Given our desire to allocate cash flow and revolver availability to fund growth initiatives, we have historically leased most of our facilities and some operating equipment. We lease certain facilities, computers, equipment and vehicles under various operating lease agreements, generally over periods ranging from one to twenty years. Under most arrangements, we pay the property taxes, insurance, maintenance and expenses related to the leased property. Many of our leases include provisions that enable us to renew the leases at contractually agreed rates or, less commonly, based upon market rental rates on the date of expiration of the initial leases.

We are contingently liable for certain lease payments under leases within businesses we previously divested or spun-off. If any of these businesses do not fulfill their future lease payment obligations under a lease, we could be liable for such obligations, however, the Company does not believe it is probable that it will be required to satisfy these obligations. Future minimum lease payments for these leases at August 31, 2020 were $7 million with monthly payments extending to fiscal 2025.

We had outstanding letters of credit totaling $12 million and $18 million at August 31, 2020 and 2019, respectively, the majority of which relate to commercial contracts and self-insured workers' compensation programs.

Contractual Obligations

The timing of payments due under our contractual commitments is as follows (in millions):

	Payments Due						
	2021	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Debt (short-term and long-term)	$ —	$ —	$ —	$ 255	$ —	$ —	$ 255
Interest on long-term debt	4	4	4	2	—	—	14
Operating leases*	12	8	7	5	4	14	50
	$ 16	$ 12	$ 11	$ 262	$ 4	$ 14	$ 319

*Operating lease contractual obligations amounts do not include $1.6 million in minimum lease payments for a real estate lease signed, but not yet commenced as of August 31, 2020.

Interest on long-term debt assumes the current interest rate environment and revolving credit facility borrowings consistent with the August 31, 2020 debt level.

Our contractual obligations generally relate to amounts due under contracts with third-party service providers. These contracts are primarily for real estate leases, vehicle leases, IT and manufacturing leases, information technology services and telecommunications services. Only those obligations that are not cancellable are included in the table.

As part of our global sourcing strategy, we have entered into agreements with certain suppliers that require the supplier to maintain minimum levels of inventory to support certain products for which we require a short lead time to fulfill customer orders. We have the ability to notify the supplier that they no longer need to maintain the minimum level of inventory should we discontinue manufacture of a product during the contract period, however, we must purchase the remaining minimum inventory levels the supplier was required to maintain within a defined period of time. As these contracts allow for us to terminate with appropriate notice so long as we utilize the remaining inventory on hand at the supplier and there are no overall minimum volumes in these contracts other than what the supplier is required to maintain on hand at any given point in time, these contracts are excluded from the table above.

We have long-term obligations related to our deferred compensation, pension and postretirement plans that are excluded from this table and summarized in Note 11, "Employee Benefit Plans" in the notes to the consolidated financial statements.

Our liability for unrecognized tax benefits was $23 million at August 31, 2020, but is not included in the table of contractual obligations because the timing of the potential settlements of these uncertain tax positions cannot be reasonably estimated.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with GAAP. This requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. The following estimates are considered by management to be the most critical in understanding judgments involved in the preparation of our consolidated financial statements and uncertainties that could impact our results of operations, financial position and cash flow.

Inventories: Inventory cost is determined using the last-in, first-out ("LIFO") method for a portion of U.S. owned inventory (approximately 44% and 48% of total inventories at August 31, 2020 and 2019, respectively). If the LIFO method were not used, inventory balances would be higher than amounts presented in the consolidated balance sheet by $10 million at both August 31, 2020 and 2019. We perform an analysis on historical sales usage of individual inventory items on hand and record a reserve to adjust inventory cost to market value. The inventory valuation assumptions used are based on historical experience. We believe that such estimates are made based on consistent and appropriate methods; however, actual results may differ from these estimates under different assumptions or conditions.

Goodwill and Long-lived Assets:

Goodwill Impairment Review and Estimates: A considerable amount of management judgment is required in performing the impairment tests, principally in determining the fair value of each reporting unit and the indefinite-lived intangible assets. While we believe our judgments and assumptions are reasonable, different assumptions could change the estimated fair values and, therefore, impairment charges could be required. Significant negative industry or economic trends, disruptions to the Company's business, loss of significant customers, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets or in entity structure and divestitures may adversely impact the assumptions used in the valuations and ultimately result in future impairment charges.

In estimating the fair value of a reporting unit, we generally use a discounted cash flow model, which calculates fair value as the sum of the projected discounted cash flows over a discrete seven-year period plus an estimated terminal value. Significant assumptions include forecasted revenues, operating profit margins, and discount rates applied to the future cash flows based on the respective reporting unit's estimated weighted average cost of capital. In certain circumstances, we also review a market approach in which a trading multiple is applied to either forecasted EBITDA (earnings before interest, income taxes, depreciation and amortization) or anticipated proceeds of the reporting unit to arrive at the estimated fair value. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded. The estimated fair value represents the amount we believe a reporting unit could be bought or sold for in a current transaction between willing parties on an arms-length basis.

The fiscal 2020 annual review of the reporting units performed in the fourth quarter did not result in any reporting units having an estimated fair value that exceeded the carrying value (expressed as a percentage of the carrying value) by less than 30%.

Fiscal 2019 Impairment Charges: As a result of a triggering event in fiscal 2019, we recorded a $14 million goodwill impairment charge associated with the Cortland U.S. reporting unit. See Note 6, "Goodwill, Intangible Assets, and Long-Lived Assets" in the notes to the consolidated financial statements for further discussion.

In addition, as a result of the EC&S reporting unit being held for sale as of August 31, 2019, we recorded a $210 million impairment charge representing the excess of the net book value of the net assets of the reporting unit as compared to the anticipated proceeds less costs to sell which is recorded within "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations.

Fiscal 2018 Impairment Charges: Our fourth quarter fiscal 2018 impairment review resulted in a review of the recoverability of the goodwill and long-lived assets of two reporting units (Cortland and PHI) for which the results of those assessments below are included in the results of discontinued operations.

Cortland Reporting Unit: The Cortland reporting unit recognized impairment charges in conjunction with Cortland Fibron's held for sale classification, resulting in a $10 million impairment charge representing the excess of net book value of assets held for sale over anticipated proceeds. This impairment charge included $4 million related to goodwill. The impairment charge is recorded within "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations. See Note 5, "Discontinued Operations and Other Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

PHI Reporting Unit: The PHI business primarily designs, manufactures and distributes concrete tensioning products. Changes in certain assumptions used in our annual goodwill impairment analysis, which are linked, in part, to recent market share losses, resulted in a fair value estimate of the reporting unit lower than its carrying value. As a result, we recognized a $17 million impairment charge related to the goodwill of the PHI business, which represented the entire goodwill balance of the reporting unit. The impairment charge is recorded within "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations. See Note 5, "Discontinued Operations and Other Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

Indefinite-lived intangibles (tradenames): Indefinite-lived intangible assets are also subject to annual impairment testing. On an annual basis or more frequently if a triggering event occurs, the fair value of indefinite-lived intangible assets, based on a relief of royalty valuation approach, are evaluated to determine if an impairment charge is required.

The fiscal 2020 annual impairment review of indefinite-lived intangible assets resulted in one impairment charge associated with an indefinite-lived intangible asset for less than $0.1 million. For the remaining indefinite-lived intangibles, the annual assessment did not result in any indefinite-lived asset having an estimated fair value that exceeded the carrying value (expressed as a percentage of the carrying value) by less than 10%.

We recognized an impairment charge of $3 million in the fourth quarter of fiscal 2019 as a result of our determination that two secondary tradenames which were previously assumed to have an indefinite life would be phased out over the next 12-15 months and be re-branded with the Enerpac tradename.

We recognized impairment charges during the fourth quarter of fiscal 2018 to write-down the value of tradenames by $7 million in relation to the Cortland Fibron held-for-sale treatment (impairment charge recorded as a component of "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations).

A considerable amount of management judgment is required in performing impairment tests, principally in determining the fair value of each reporting unit and the indefinite-lived intangible assets. While we believe our judgments and assumptions are reasonable, different assumptions, including the duration and severity of the impacts from the COVID-19 pandemic, could change the estimated fair values and, therefore, future additional impairment charges could be required. Prolonged weakening industry or economic trends, disruptions to our business, loss of significant customers, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in the use of the assets or in entity structure and divestitures may adversely impact the assumptions used in the valuations and ultimately result in future impairment charges.

Long-lived assets (fixed assets and amortizable intangible assets): We also review long-lived assets for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If such indicators are present, we perform undiscounted operating cash flow analyses to determine if impairment exists. If impairment is determined to exist, any related impairment loss is calculated based on fair value.

In the first quarter of fiscal 2020, in connection with the held-for sale-treatment of the Milwaukee Cylinder business, we recognized a $3 million impairment charge, representing the excess of the net book value of assets held for sale over anticipated proceeds. See Note 5, "Discontinued Operations and Other Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

In the fourth quarter of fiscal 2019, in connection with our North America service restructuring within the IT&S segment, we identified one customer relationship intangible asset associated with the component of the service business we intended to exit. As a result of our assessment, for which the primary assumption is the anticipated revenues associated with those customers, we determined that the fair value of the intangible asset was less than its carrying value, and therefore, recorded a $6 million impairment charge. See Note 6, "Goodwill, Intangible Assets, and Long-Lived Assets" in the notes to the consolidated financial statements for further discussion.

Also in the fourth quarter of fiscal 2019, in connection with the held-for-sale treatment of the remaining businesses within the EC&S segment, we recognized a $54 million impairment charge related to the recognition in earnings of the cumulative effect of foreign currency rate changes since acquisition of those businesses which is recorded in "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations. See Note 5, "Discontinued Operations and Other Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

In the fourth quarter of fiscal 2018, related to the held-for-sale treatment of our Cortland Fibron business, we recognized a $46 million long-lived asset impairment, representing the excess of net book value of assets held for sale over anticipated proceeds which consisted of i) $35 million related to the recognition in earnings of the cumulative effect of foreign currency rate changes since acquisition; ii) $10 million representing the excess of the net book value of assets held for sale to the anticipated proceeds and iii) $1 million of other divestiture charges. These charges are recorded as a component of "(Loss) earnings from discontinued operations" within the Consolidated Statements of Operations. See Note 5, "Discontinued Operations and Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

During the fourth quarter of fiscal 2018, the undiscounted operating cash flows of our PHI business did not exceed the carrying value of the net assets of the business, resulting in a long-lived asset impairment charge of $6 million (recorded as a component of "(Loss) earnings from discontinued operations" on the Consolidated Statements of Operations), consisting of charges of $5 million and $1 million on amortizable intangible assets and fixed assets (primarily machinery and equipment), respectively. See Note 5, "Discontinued Operations and Divestiture Activities" in the notes to the consolidated financial statements for further discussion.

Significant management judgment is required in performing impairment tests, principally in determining the fair value of long-lived assets. While we believe our judgments and assumptions are reasonable, different assumptions could change the estimated fair values and, therefore, future additional impairment charges could be required. Prolonged weakening industry or economic trends, disruptions to our business, loss of significant customers, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in the use of the assets or in entity structure and divestitures may adversely impact the assumptions used in the valuations and ultimately result in future impairment charges.

Business Combinations and Purchase Accounting: Business combinations are accounted for using the acquisition method of accounting, and accordingly, the assets and liabilities of the acquired business are recorded at their respective fair values. The excess of the purchase price over the estimated fair value is recorded as goodwill. Assigning fair market values to the assets acquired and liabilities assumed at the date of an acquisition requires knowledge of current market values and the values of assets in use, and often requires the application of judgment regarding estimates and assumptions. While the ultimate responsibility resides with management, for certain acquisitions we retain the services of certified valuation specialists to assist with assigning estimated values to certain acquired assets and assumed liabilities, including intangible assets and tangible long-lived assets. Acquired intangible assets, excluding goodwill, are valued using discounted cash flow methodology based on future cash flows specific to the type of intangible asset purchased. This methodology incorporates various estimates and assumptions, the most significant being projected revenue growth rates, profit margins and forecasted cash flows based on discount rates and terminal growth rates.

Employee Benefit Plans: We provide a variety of benefits to employees and former employees including, in some cases, pensions and postretirement health care. Plan assets and obligations are recorded based on an August 31 measurement date utilizing various actuarial assumptions such as discount rates, assumed rates of return on plan assets and health care cost trend rates. We determine the discount rate assumptions by referencing high-quality, long-term bond rates that are matched to the duration of our benefit obligations, with appropriate consideration of local market factors, participant demographics and benefit payment forecasts. At August 31, 2020 and 2019, the discount rates on domestic benefit plans were 2.40% and 2.90%, respectively. In estimating the expected return on plan assets, we consider historical returns, forward-looking considerations, inflation assumptions and the asset-allocation strategy in investing such assets. Domestic benefit plan assets consist primarily of participating units in mutual funds with equity based strategies, mutual funds with fixed income based strategies, and U.S treasury securities. The expected return on domestic benefit plan assets was 4.60% and 5.75% for the fiscal years ended August 31, 2020 and 2019, respectively. A 25 basis point change in the assumptions for the discount rate or expected return on plan assets would not have materially changed the fiscal 2020 domestic benefit plan expense.

We review actuarial assumptions on an annual basis and make modifications based on current rates and trends, when appropriate. As required by GAAP, the effects of any modifications are recorded currently or amortized over future periods. Based on information provided by independent actuaries and other relevant sources, we believe that the assumptions used are reasonable; however, changes in these assumptions could impact our financial position, results of operations or cash flow. See Note 11, "Employee Benefit Plans" in the notes to the consolidated financial statements for further discussion.

Income Taxes: Judgment is required to determine the annual effective income tax rate, deferred tax assets and liabilities, reserves for unrecognized tax benefits and any valuation allowances recorded against net deferred tax assets. Our effective income tax rate is based on annual income, statutory tax rates, tax planning opportunities available in the various jurisdictions in which we operate and other adjustments. Our annual effective income tax rate includes the impact of discrete income tax matters including adjustments to reserves for uncertain tax positions and the benefits of various income tax planning activities. Tax regulations require items to be included in our tax returns at different times than these same items are reflected in our consolidated financial statements. As a result, the effective income tax rate in our consolidated financial statements differs from that reported in our tax returns. Some of these differences are permanent, such as expenses that are not tax deductible, while others are temporary differences, such as amortization and depreciation expenses.

Temporary differences create deferred tax assets and liabilities, which are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We establish valuation allowances for our deferred tax assets when the amount of expected future taxable income is not large enough to utilize the entire deduction or credit. Relevant factors in determining the realizability of deferred tax assets include future taxable income, the expected timing of the reversal of temporary differences, tax planning strategies and the expiration dates of the various tax attributes.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in foreign currency exchange rates and interest rates and, to a lesser extent, commodities. To reduce such risks, we selectively use financial instruments and other proactive management techniques. All hedging transactions are authorized and executed pursuant to clearly defined policies and procedures, which strictly prohibit the use of financial instruments for trading or speculative purposes. A discussion of our accounting policies for derivative financial instruments is included within Note 9, "Derivatives" in the notes to the consolidated financial statements.

Foreign Currency Risk—We maintain operations in the U.S. and various foreign countries. Our non-U.S. operations, the largest of which are located in the Netherlands (and other countries whose functional currency is the Euro), the United Kingdom, Australia, the United Arab Emirates and China, have foreign currency risk relating to receipts from customers, payments to suppliers and intercompany transactions denominated in foreign currencies. Under certain conditions, we enter into hedging transactions, primarily forward foreign currency swaps, that enable us to mitigate the potential adverse impact of foreign currency exchange rate risk (see Note 9, "Derivatives" in the notes to the consolidated financial statements for further information). We do not engage in trading or other speculative activities with these transactions, as established policies require that these hedging transactions relate to specific currency exposures.

The strengthening of the U.S. dollar can have an unfavorable impact on our results of operations and financial position as foreign denominated operating results are translated into U.S. dollars. To illustrate the potential impact of changes in foreign currency exchange rates on the translation of our results of operations, annual sales and operating profit were remeasured assuming a ten percent reduction in foreign exchange rates compared to the U.S. dollar. Under this assumption, annual sales would have been $20 million lower and operating profit would have been $1 million lower for the twelve months ended August 31, 2020. This sensitivity analysis assumes that each exchange rate would change in the same direction relative to the U.S. dollar and excludes the potential effects that changes in foreign currency exchange rates may have on actual sales or price levels. Similarly, a ten percent decline in foreign currency exchange rates relative to the U.S. dollar on our August 31, 2020 financial position would result in a $37 million reduction to equity (accumulated other comprehensive loss), as a result of non-U.S. dollar denominated assets and liabilities being translated into U.S. dollars, our reporting currency.

Interest Rate Risk—In the current economic environment, we manage interest expense using a mixture of variable rate debt and fixed-interest-rate swaps. As of August 31, 2020, long term debt consisted of $255 million of borrowings under the revolving line of credit (variable rate debt). We are the fixed rate payor on an interest rate swap that effectively fixes the LIBOR-based index on $100 million of borrowings under our revolving line of credit.

C*ommodity Risk*—We source a wide variety of materials and components from a network of global suppliers. While such materials are typically available from numerous suppliers, commodity raw materials, such as steel and plastic resin, are subject to price fluctuations which could have a negative impact on our results. We strive to timely pass along such commodity price increases to customers to avoid profit margin erosion.

Item 8. <u>Financial Statements and Supplementary Data</u>

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All other schedules are omitted because they are not applicable, not required or because the required information is included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Enerpac Tool Group Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Enerpac Tool Group Corp. and its subsidiaries (the "Company") as of August 31, 2020 and 2019, and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended August 31, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of August 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2020 and 2019**,** and the results of its operations and its cash flows for each of the three years in the period ended August 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 1 to the consolidated statements, the Company changed the manner in which it accounts for leases in 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded HTL Group from its assessment of internal control over financial reporting as of August 31, 2020 because it was acquired by the Company in a purchase business combination during 2020. We have also excluded HTL Group from our audit of internal control over financial reporting. HTL Group is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent approximately 2% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended August 31, 2020.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – Certain Reporting Unit within the Other Segment

As described in Notes 1 and 6 to the consolidated financial statements, the Company's consolidated goodwill balance was $281.2 million as of August 31, 2020. Goodwill associated with the Other segment was $17.6 million. Management tests goodwill for impairment annually, during the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. If the carrying value of a reporting unit exceeds its fair value, an impairment loss is recorded. In estimating fair value, management utilizes a discounted cash flow model, which is dependent on a number of assumptions, most significantly forecasted revenues and operating profit margins, and the weighted average cost of capital.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of a certain reporting unit within the Other segment is a critical audit matter are the significant judgment by management when developing the fair value measurement of the reporting unit; this in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating evidence related to the forecasted revenues and operating profit margins assumptions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the reporting unit. These procedures also included, among others, testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness and accuracy of underlying data used in the model; and evaluating the reasonableness of significant assumptions used by management related to the forecasted revenues and operating profit margins. Evaluating management's assumptions related to the forecasted revenues and operating profit margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting unit, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
October 26, 2020

We have served as the Company's auditor since 1997.

ENERPAC TOOL GROUP CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended August 31,		
	2020	2019	2018
Net sales			
Product	$ 379,899	$ 478,946	$ 489,623
Service & rental	113,393	175,812	151,680
Total net sales	493,292	654,758	641,303
Cost of products sold			
Product	204,524	247,771	264,878
Service & rental	71,575	114,335	93,141
Total cost of products sold	276,099	362,106	358,019
Gross profit	217,193	292,652	283,284
Selling, administrative and engineering expenses	180,513	209,231	210,256
Amortization of intangible assets	8,323	8,922	9,280
Restructuring charges	7,335	4,156	10,555
Impairment & divestiture (benefit) charges	(3,159)	22,827	2,987
Operating profit	24,181	47,516	50,206
Financing costs, net	19,218	28,163	30,872
Other (income) expense, net	(2,886)	629	138
Earnings before income tax expense	7,849	18,724	19,196
Income tax expense	2,292	10,657	14,450
Net earnings from continuing operations	5,557	8,067	4,746
Loss from discontinued operations, net of income taxes	(4,834)	(257,212)	(26,394)
Net earnings (loss)	$ 723	$ (249,145)	$ (21,648)
Earnings per share from continuing operations			
Basic	$ 0.09	$ 0.13	$ 0.08
Diluted	$ 0.09	$ 0.13	$ 0.08
Loss per share from discontinued operations			
Basic	(0.08)	(4.21)	(0.44)
Diluted	(0.08)	(4.18)	(0.43)
Earnings (loss) per share			
Basic	0.01	(4.07)	(0.36)
Diluted	0.01	(4.04)	(0.35)
Weighted average common shares outstanding			
Basic	59,952	61,151	60,441
Diluted	60,269	61,607	61,028

The accompanying notes are an integral part of these consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Twelve Months Ended		
	2020	**2019**	**2018**
Net income (loss)	$ 723	$ (249,145)	$ (21,648)
Other comprehensive income, net of tax			
Foreign currency translation adjustments	23,224	(27,527)	49,307
Recognition of foreign currency translation losses from divested businesses	51,994	34,909	—
Pension, other postretirement benefit plans, and cash flow hedges	(603)	(4,809)	3,709
Total other comprehensive income, net of tax	74,615	2,573	53,016
Comprehensive income (loss)	$ 75,338	$ (246,572)	$ 31,368

The accompanying notes are an integral part of these consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	August 31, 2020	August 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 152,170	$ 211,151
Accounts receivable, net	84,170	125,883
Inventories, net	69,171	77,187
Assets from discontinued operations	—	285,578
Other current assets	35,621	30,526
Total current assets	341,132	730,325
Property, plant and equipment, net	61,405	56,729
Goodwill	281,154	260,415
Other intangible assets, net	62,382	52,375
Other long-term assets	78,221	24,430
Total assets	$ 824,294	$ 1,124,274
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	$ 45,069	$ 76,914
Accrued compensation and benefits	17,793	26,421
Current maturities of debt	—	7,500
Income taxes payable	1,937	4,838
Liabilities from discontinued operations	—	143,763
Other current liabilities	40,723	40,965
Total current liabilities	105,522	300,401
Long-term debt, net	255,000	452,945
Deferred income taxes	1,708	1,564
Pension and postretirement benefit liabilities	20,190	20,213
Other long-term liabilities	82,648	47,972
Total liabilities	465,068	823,095
Commitments and contingencies (Note 16)		
Shareholders' equity		
Class A common stock, $0.20 par value per share, authorized 168,000,000 shares, issued 82,593,945 and 81,920,679 shares, respectively	16,519	16,384
Additional paid-in capital	193,492	181,213
Treasury stock, at cost, 22,799,230 and 21,455,568 shares, respectively	(667,732)	(640,212)
Retained earnings	917,671	915,466
Accumulated other comprehensive loss	(100,724)	(171,672)
Stock held in trust	(2,562)	(3,070)
Deferred compensation liability	2,562	3,070
Total shareholders' equity	359,226	301,179
Total liabilities and shareholders' equity	$ 824,294	$ 1,124,274

The accompanying notes are an integral part of these consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended August 31,		
	2020	**2019**	**2018**
Operating Activities			
Net earnings (loss)	$ 723	$ (249,145)	$ (21,648)
Less: Net loss from discontinued operations	(4,834)	(257,212)	(26,394)
Net earnings from continuing operations	5,557	8,067	4,746
Adjustments to reconcile net earnings to net cash provided by operating activities - continuing operations:			
Impairment & divestiture (benefit) charges, net of tax effect	(2,506)	20,930	12,385
Depreciation and amortization	20,720	20,217	20,405
Stock-based compensation expense	9,624	10,882	11,333
(Benefit) provision for deferred income taxes	(7,819)	3,955	5,588
Amortization of debt issuance costs	2,549	1,200	2,399
Other non-cash charges	1,204	405	285
Changes in components of working capital and other, excluding acquisitions and divestitures:			
Accounts receivable	44,749	(4,993)	(7,462)
Inventories	8,960	(7,760)	(1,142)
Trade accounts payable	(32,081)	6,858	(1,872)
Prepaid expenses and other assets	7,828	5,269	(3,868)
Income tax accounts	(7,306)	(913)	17,354
Accrued compensation and benefits	(9,845)	(8,368)	1,609
Other accrued liabilities	(23,635)	(14,846)	10,156
Cash provided by operating activities - continuing operations	17,999	40,903	71,916
Cash (used in) provided by operating activities - discontinued operations	(21,158)	12,942	34,177
Cash (used in) provided by operating activities	(3,159)	53,845	106,093
Investing Activities			
Capital expenditures	(12,053)	(14,923)	(11,021)
Proceeds from sale of property, plant and equipment	708	1,462	104
Rental asset buyout for Viking divestiture	—	—	(27,718)
Proceeds from sale of business/product line	10,226	—	8,902
Cash paid for business acquisitions, net of cash acquired	(33,298)	—	(23,218)
Other investing activities	(710)	—	—
Cash used in investing activities - continuing operations	(35,127)	(13,461)	(52,951)
Cash provided by (used in) investing activities - discontinued operations	211,200	24,507	(9,800)
Cash provided by (used in) investing activities	176,073	11,046	(62,751)
Financing Activities			
Borrowings on revolving credit facility	395,000	—	—
Principal payments on revolving credit facility	(140,000)	—	—
Redemption of 5.625% Senior Notes	(287,559)	—	—
Principal repayment on term loan	(175,000)	(72,500)	(30,000)
Payment for redemption of term loan	—	(200,000)	—
Proceeds from issuance of term loan	—	200,000	—
Purchase of treasury shares	(27,520)	(22,481)	—
Taxes paid related to the net share settlement of equity awards	(4,286)	(1,872)	(1,284)
Stock option exercises & other	3,092	1,900	15,681
Payment of cash dividend	(2,419)	(2,439)	(2,390)
Payment of debt issuance costs	(234)	(2,125)	—
Cash used in financing activities - continuing operations	(238,926)	(99,517)	(17,993)
Cash used in financing activities - discontinued operations	—	—	—
Cash used in financing activities	(238,926)	(99,517)	(17,993)
Effect of exchange rate changes on cash	7,031	(4,713)	(4,430)
Net (decrease) increase in cash and cash equivalents	(58,981)	(39,339)	20,919
Cash and cash equivalents - beginning of period	211,151	250,490	229,571
Cash and cash equivalents - end of period	$ 152,170	$ 211,151	$ 250,490

The accompanying notes are an integral part of these consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Stock								
	Issued Shares	Amount	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Stock Held in Trust	Deferred Compensation Liability	Total Shareholders' Equity
Balance at August 31, 2017	80,200	$ 16,040	$ 138,449	$ (617,731)	$ 1,191,042	$ (227,261)	$ (2,696)	$ 2,696	$ 500,539
Net loss	—	—	—	—	(21,648)	—	—	—	(21,648)
Other comprehensive income, net of tax	—	—	—	—	—	53,016	—	—	53,016
Stock contribution to employee benefit plans and other	20	4	535	—	—	—	—	—	539
Restricted stock awards	400	80	(80)	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,439)	—	—	—	(2,439)
Stock based compensation expense	—	—	14,457	—	—	—	—	—	14,457
Stock option exercises	780	156	14,984	—	—	—	—	—	15,140
Tax effect related to net share settlement of equity awards	—	—	(1,281)	—	—	—	—	—	(1,281)
Stock issued to, acquired for and distributed from rabbi trust	25	5	384	—	—	—	246	(246)	389
Balance at August 31, 2018	81,424	16,285	167,448	(617,731)	1,166,955	(174,245)	(2,450)	2,450	558,712
Net loss	—	—	—	—	(249,145)	—	—	—	(249,145)
Other comprehensive income, net of tax	—	—	—	—	—	2,573	—	—	2,573
Stock contribution to employee benefit plans and other	20	4	492	—	—	—	—	—	496
Restricted stock awards	375	75	(75)	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,419)	—	—	—	(2,419)
Treasury stock repurchases	—	—	—	(22,481)	—	—	—	—	(22,481)
Stock based compensation expense	—	—	13,318	—	—	—	—	—	13,318
Stock option exercises	65	13	1,391	—	—	—	—	—	1,404
Tax effect related to net share settlement of equity awards	—	—	(1,872)	—	—	—	—	—	(1,872)
Stock issued to, acquired for and distributed from rabbi trust	35	7	511	—	—	—	(620)	620	518
Adoption of accounting standards	—	—	—	—	75	—	—	—	75
Balance at August 31, 2019	81,919	16,384	181,213	(640,212)	915,466	(171,672)	(3,070)	3,070	301,179
Net income	—	—	—	—	723	—	—	—	723
Other comprehensive income, net of tax	—	—	—	—	—	74,615	—	—	74,615
Stock contribution to employee benefit plans and other	23	5	456	—	—	—	—	—	461
Restricted stock awards	484	96	(96)	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,391)	—	—	—	(2,391)
Treasury stock repurchases	—	—	—	(27,520)	—	—	—	—	(27,520)
Stock based compensation expense	—	—	13,309	—	—	—	—	—	13,309
Stock option exercises	145	29	2,602	—	—	—	—	—	2,631
Tax effect related to net share settlement of equity awards	—	—	(4,286)	—	—	—	—	—	(4,286)
Stock issued to, acquired for and distributed from rabbi trust	23	5	294	—	—	—	508	(508)	299
Adoption of accounting standards (Note 1)	—	—	—	—	3,873	(3,667)	—	—	206
Balance at August 31, 2020	82,594	$ 16,519	$ 193,492	$ (667,732)	$ 917,671	$ (100,724)	$ (2,562)	$ 2,562	$ 359,226

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of Operations: Enerpac Tool Group Corp. (the "Company"), formerly known as Actuant Corporation, is a global manufacturer of a broad range of industrial products and solutions, organized into two operating segments. The Industrial Tools & Services segment ("IT&S"), the Company's only reportable segment, is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools and in providing services and tool rental to the industrial, maintenance, infrastructure, oil & gas, energy and other markets.

Consolidation and Presentation: The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. The results of companies acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or until the date of divestiture. All intercompany balances, transactions and profits have been eliminated in consolidation.

The Company has two operating segments: Industrial Tools & Services ("IT&S") and Other, with IT&S representing the only reportable segment.

At August 31, 2019, the Company's former Engineered Components & Systems ("EC&S") segment was considered held for sale and was subsequently divested on October 31, 2019. As the divestiture represented a strategic shift in our operations, the results of the former segment through the date of divestiture and subsequent impacts to the financial results from retained liabilities are recorded in "Loss from discontinued operations, net of income taxes" within the Consolidated Statements of Operations. Further, the assets and liabilities, respectively, of the former segment are reflected as "Assets from discontinued operations" and "Liabilities from discontinued operations" on the Consolidated Balance Sheets at August 31, 2019. The results of the Cortland Fibron and Precision Hayes businesses which were a component of the EC&S segment prior to their divestiture in the year ended August 31, 2019, were also part of the strategic shift, as such, they are also reflected in "Loss from discontinued operations, net of income taxes" within the Consolidated Statements of Operations.

Cash Equivalents: The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Inventories: Inventories are comprised of material, direct labor and manufacturing overhead, and are stated at the lower of cost or market. Inventory cost is determined using the last-in, first-out ("LIFO") method for a portion of the U.S. owned inventory (44.1% and 47.9% of total inventories in 2020 and 2019, respectively). The first-in, first-out or average cost methods are used for all other inventories. If the LIFO method were not used, inventory balances would be higher than reported amounts in the consolidated balance sheets by $10.2 million and $10.3 million at August 31, 2020 and 2019, respectively.

The nature of the Company's products is such that they generally have a very short production cycle. Consequently, the amount of work-in-process at any point in time is minimal. In addition, many parts or components are ultimately either sold individually or assembled with other parts making a distinction between raw materials and finished goods impractical to determine. Certain locations maintain and manage their inventories using a job cost system where the distinction of categories of inventory by state of completion is also not available. As a result of these factors, it is neither practical nor cost effective to segregate the amounts of raw materials, work-in-process or finished goods inventories at the respective balance sheet dates, as segregation would only be possible as the result of physical inventories which are taken at dates different from the balance sheet dates.

Property, Plant and Equipment: Property, plant and equipment are stated at cost. Plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from ten to forty years for buildings and improvements and two to fifteen years for machinery and equipment. Equipment includes assets (joint integrity tools) which are rented to customers of our IT&S segment. Leasehold improvements are amortized over the shorter of the life of the related asset or the term of the lease. Depreciation expense was $12.4 million, $11.3 million and $11.1 million for the years ended August 31, 2020, 2019 and 2018, respectively.The following is a summary of the Company's components of property, plant and equipment (in thousands):

	August 31, 2020	August 31, 2019
Land, buildings and improvements	$ 33,548	$ 29,661
Machinery and equipment	134,536	140,083
Gross property, plant and equipment	168,084	169,744
Less: Accumulated depreciation	(106,679)	(113,015)
Property, plant and equipment, net	$ 61,405	$ 56,729

Goodwill and Other Intangible Assets: Goodwill and other intangible assets with indefinite lives are not subject to amortization, but are subject to annual impairment testing. Other intangible assets with definite lives, consisting primarily of

purchased customer relationships, patents, trademarks and tradenames, are amortized over periods from one to twenty-five years.

The Company's goodwill is tested for impairment annually, during the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The Company performs impairment reviews for its reporting units using a fair value method based on management's judgments and assumptions. In estimating the fair value, the Company utilizes a discounted cash flow model, which is dependent on a number of assumptions, most significantly forecasted revenues and operating profit margins, and the weighted average cost of capital. The estimated fair value of the reporting unit is compared to the carrying amount of the reporting unit, including goodwill. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recorded and should not exceed the total amount of the goodwill allocated to the reporting unit. Indefinite-lived intangible assets are also subject to an annual impairment test. On an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired, the fair value of the indefinite-lived intangible assets are evaluated by the Company to determine if an impairment charge is required. A considerable amount of management judgment is required in performing impairment tests, principally in determining the fair value of each reporting unit and the indefinite-lived intangible assets.

Product Warranty Costs: The Company generally offers its customers an assurance warranty on products sold, although warranty periods may vary by product type and application. The reserve for future warranty claims, which is recorded within the "Other current liabilities" line on the Consolidated Balance Sheets, is based on historical claim rates and current warranty cost experience. The following is a rollforward of the changes in product warranty reserves for fiscal years 2020 and 2019 (in thousands):

	2020	2019
Beginning balance	$ 1,145	$ 931
Provision for warranties	677	1,326
Warranty payments and costs incurred	(934)	(1,077)
Warranty activity for divested businesses	(27)	—
Impact of changes in foreign currency rates	31	(35)
Ending balance	$ 892	$ 1,145

Revenue from Contracts with Customers: The Company recognizes revenue when it satisfies a performance obligation in a contract by transferring control of a distinct good or service to a customer. A contract's transaction price is allocated to each distinct performance obligation and revenue is measured based on the consideration that the Company expects to be entitled to in exchange for the goods or services transferred. When contracts include multiple products or services to be delivered to the customer, the consideration for each element is generally allocated on the standalone transaction prices of the separate performance obligations, using the adjusted market assessment approach.

Under normal circumstances, the Company invoices the customer once transfer of control has occurred and has a right to payment. The typical payment terms vary based on the customer and the types of goods and services in the contract. The period of time between invoicing and when payment is due is not significant, as our standard payment terms are less than one year. Amounts billed and due from customers are classified as receivables on the balance sheet.

Customer sales are recorded net of allowances for returns and discounts, which are recognized as a deduction from sales at the time of sale. The Company commits to one-time or on-going trade discounts and promotions with customers that require the Company to estimate and accrue the ultimate costs of such programs.The Company generally does not require collateral or other security for receivables and provides for an allowance for doubtful accounts based on historical experience and a review of its existing receivables. Accounts receivable are stated net of an allowance for doubtful accounts of $5.0 million and $5.1 million at August 31, 2020 and 2019, respectively.

Taxes Collected: Taxes collected by the Company from a customer concurrent with revenue-producing activities are excluded from "Net sales" within the Consolidated Statements of Operations.

Shipping and Handling Costs: The Company records costs associated with shipping its products after control over a product has transferred to a customer and are accounted for as fulfillment costs. These costs are reported in the Consolidated Statements of Operations in "Cost of products sold."

Research and Development Costs: Research and development costs consist primarily of an allocation of overall engineering and development resources and are expensed as incurred. Such costs incurred in the development of new products or significant improvements to existing products were $7.3 million, $9.3 million and $8.7 million in fiscal 2020, 2019 and 2018, respectively. The Company also incurs significant costs in connection with fulfilling custom orders and developing solutions for unique customer needs which are not included in these research and development expense totals.

Other Income/Expense: Other income and expense primarily consists of net foreign currency exchange transaction lossesof $2.6 million and $0.2 million in fiscal 2020 and 2019, respectively, with a gain of less than $0.1 million in fiscal 2018. In addition, as a result of the EC&S divestiture and the transition services agreement entered into with the buyer, the Company recorded $4.9 million of other income from providing the agreed upon services in fiscal 2020.

Financing Costs: Financing costs represent interest expense, financing fees and amortization of debt issuance costs, net ofinterest income. Interest income was $0.8 million, $0.7 million and $1.2 million for fiscal 2020, 2019 and 2018, respectively.

Income Taxes: The provision for income taxes includes federal, state, local and non-U.S. taxes on income. Tax credits, primarily for non-U.S. earnings, are recognized as a reduction of the provision for income taxes in the year in which they are available for U.S. tax purposes. Deferred taxes are provided on temporary differences between assets and liabilities for financial and tax reporting purposes as measured by enacted tax rates expected to apply when temporary differences are settled or realized. Future tax benefits are recognized to the extent that realization of those benefits is considered to be more likely than not. A valuation allowance is established for deferred tax assets for which realization is not more likely than not of being realized. The Company has not provided for any residual U.S. income taxes on unremitted earnings of non-U.S. subsidiaries, as such earnings are intended to be indefinitely reinvested. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense.

Foreign Currency Translation: The financial statements of the Company's foreign operations are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and an appropriate weighted average exchange rate for each applicable period within the Consolidated Statements of Operations. Translation adjustments are reflected in the Consolidated Balance Sheets and Consolidated Statements of Shareholders' Equity caption "Accumulated other comprehensive loss."

Accumulated Other Comprehensive Loss: The following is a summary of the components included within accumulated other comprehensive loss (in thousands):

	August 31,	
	2020	2019
Foreign currency translation adjustments	$ 75,896	$ 151,115
Pension and other postretirement benefit plans	24,750	20,557
Unrecognized losses on cash flow hedges	78	—
Accumulated other comprehensive loss	$ 100,724	$ 171,672

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The Company regularly evaluates the estimates and assumptions related to the allowance for doubtful accounts, inventory valuation, warranty reserves, goodwill, intangible and long-lived asset valuations, employee benefit plan liabilities, over-time revenue recognition, income tax liabilities, deferred tax assets and related valuation allowances, uncertain tax positions, restructuring reserves, and litigation and other loss contingencies. The COVID-19 pandemic has caused additional uncertainty with respect to certain estimates. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning the COVID-19 pandemic and the additional actions taken to contain it or treat it, as well as the severity and duration of the economic impact on local, regional, national and international customers, suppliers and markets. As such, there could be a material adverse impact on the Company's financial condition or results of operations. Management has made estimates of the impact of the COVID-19 pandemic on our financial statements and there may be changes to those estimates in future periods as new information becomes available. Actual results could differ materially and adversely from those estimates and assumptions, and such results could materially affect the Company's consolidated net income, financial position, or cash flows.

The Company manages the profitability of its product and service & rental categories on a combined basis given the complexity of the business model. This model includes providing integrated product and service solutions resulting in facilities that generate revenues from both product and service & rental categories, which also have significant indirect and facility overhead costs included in cost of sales. As such, judgment and estimates are required to disaggregate product and service & rental cost of sales including allocating indirect and facility overhead costs between cost of product sales and the cost of service & rental sales. Changes in these judgments and estimates could materially change the allocation of the indirect and facility overhead costs to the different sales categories and the resulting ratio of cost of sales to net sales by category. Because the sales mix heavily favors the product category, a change in the mix of cost of sales between the sales categories would have a more significant impact on the ratio of cost of sales to net sales for the service & rental category. In addition, due to the recent

changes in our business model, which includes the integration of the Enerpac and Hydratight businesses within the IT&S segment, the decision to exit certain non-strategic businesses and product lines, and the restructuring actions taken by the Company, the historical ratios of cost of sales to net sales by category may not be indicative of future ratios of cost of sales to net sales by category.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (and subsequently ASU 2018-01 and ASU 2019-01), to increase transparency and comparability among organizations by recognizing all lease transactions on the balance sheet as a lease liability and a right-of-use ("ROU") asset. The amendments also expanded disclosure requirements for key information about leasing arrangements. On September 1, 2019, the Company adopted the standard using a modified retrospective approach and elected the package of practical expedients allowing us to not reassess whether any expired or existing contracts contain leases, the lease classification for any expired or existing leases, and initial direct costs for leases that commenced prior to September 1, 2019. In addition, we elected not to recognize ROU assets or lease liabilities for leases containing terms of 12 months or less and not separate lease components from non-lease components for all asset classes. The Company updated its standard lease accounting policy to address the new standard, revised the Company's business processes and controls to align to the updated policy and new standard and completed the implementation of and data input into the Company's lease accounting software solution. The most significant impact of the standard on the Company was the recognition of a $60.8 million ROU asset and operating lease liability on the Consolidated Balance Sheets at adoption. The standard did not have a significant impact on our Consolidated Statements of Operations or Consolidated Statements of Cash Flows. In addition, as a result of sale leaseback transactions in previous years for which gains were deferred and under the new standard would have been recognized, the Company recorded an increase to retained earnings of $0.2 million in the first quarter of fiscal 2020, which represents the recognition of these previously deferred gains. See Note 10, "Leases" for further discussion of the Company's operating leases.

In February 2018, the FASB issued ASU 2018-02, Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows companies to reclassify stranded income tax effects resulting from the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings in their consolidated financial statements. The Company adopted the guidance on September 1, 2019 and recorded an increase to retained earnings with an offsetting increase in accumulated other comprehensive loss of $3.7 million. on the adoption date.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which adds an impairment model that is based on expected losses rather than incurred losses and is called the Current Expected Credit Losses ("CECL") model. This impairment model is applicable to loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables as well as any other financial asset with the contractual right to receive cash. Under the new model, an allowance equal to the estimate of lifetime expected credit losses is recognized which will result in more timely loss recognition. The guidance is intended to reduce complexity by decreasing the number of credit impairment models. This guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings in the period of adoption. The Company is required to adopt this new guidance in the first quarter of 2021. The Company reviewed the impact of this ASU on its consolidated financial statements and concluded that any cumulative-effect adjustment would be immaterial.

Note 2. Revenue from Contracts with Customers

Nature of Goods and Services

The Company generates its revenue under two principal activities, which are discussed below:

Product Sales: Sales of tools, heavy-lifting solutions, and rope and cable solutions are recorded when control is transferred to the customer (i.e., performance obligation has been satisfied). For the majority of the Company's product sales, revenue is recognized at a point in time when control of the product is transferred to the customer, which generally occurs when the product is shipped from the Company to the customer. For certain other products that are highly customized and have a limited alternative use, and for which the Company has an enforceable right of reimbursement for performance completed to date, revenue is recognized over time. We consider the input measure (efforts-expended or cost-to-cost) or output measure as a fair measure of progress for the recognition of over-time revenue associated with these custom products. For a majority of the Company's custom products, machine hours and labor hours (efforts-expended measurement) are used as a measure of progress.

Service & Rental Sales: Service contracts consist of providing highly trained technicians to perform bolting, technical services, machining and joint integrity work for our customers. These revenues are recognized over time as our customers simultaneously receive and consume the benefits provided by the Company. We consider the input measure (efforts-expended

or cost-to-cost) or output measure as a fair measure of progress for the recognition of over-time revenue associated with service contracts. For a majority of the Company's service contracts, labor hours (efforts-expended measurement) is used as the measure of progress when it is determined to be a better depiction of the transfer of control to the customer due to the timing and pattern of labor hours incurred. Revenue from rental contracts (less than a year and non-customized products) is generally recognized ratably over the contract term, depicting the customer's consumption of the benefit related to the rental equipment.

Disaggregated Revenue and Performance Obligations

The Company disaggregates revenue from contracts with customers by reportable segment and product line and by the timing of when goods and services are transferred. See Note 15, "Business Segment, Geographic and Customer Information" for information regarding our revenue disaggregation by reportable segment and product line.

The following table presents information regarding revenues disaggregated by the timing of when goods and services are transferred (in thousands):

	Year Ended August 31,	
	2020	2019
Revenues recognized at point in time	$ 361,359	$ 453,427
Revenues recognized over time	131,933	201,331
Total	$ 493,292	$ 654,758

Contract Balances

The Company's contract assets and liabilities are as follows (in thousands):

	August 31,	
	2020	2019
Receivables, which are included in accounts receivable, net	$ 84,170	$ 125,883
Contract assets, which are included in other current assets	6,145	3,747
Contract liabilities, which are included in other current liabilities	2,145	3,707

Receivables: The Company performs its obligations under a contract with a customer by transferring goods or services in exchange for consideration from the customer. The Company typically invoices its customers as soon as control of an asset is transferred and a receivable for the Company is established.

Contract Assets: Contract assets relate to the Company's rights to consideration for work completed but not billed as of the reporting date on contracts with customers. The contract assets are transferred to receivables when the rights become unconditional. The Company has contract assets on contracts that are generally long-term and have revenues that are recognized over time. The increase in this balance from August 31, 2019 to August 31, 2020 is a result of the contractual timing of billings on certain large contracts.

Contract Liabilities: As of August 31, 2020, the Company had certain contracts where there were unsatisfied performance obligations and the Company hadreceived cash consideration from customers before the performance obligations were satisfied. The majority of these contracts relate to long-term customer contracts (project durations of greater than three months) and are recognized over time. The Company estimates that the $2.1 million will be recognized in net sales from satisfying those performance obligations within the next twelve months with an immaterial amount recognized in periods thereafter.

Timing of Performance Obligations Satisfied at a Point in Time: The Company evaluates when the customer obtains control of the product based on shipping terms, as control will transfer, depending upon such terms, at different points between the Company's manufacturing facility or warehouse and the customer's location. The Company considers control to have transferred upon shipment or delivery because (i) the Company has a present right to payment at that time; (ii) the legal title has been transferred to the customer; (iii) the Company has transferred physical possession of the product to the customer; and (iv) the customer has significant risks and rewards of ownership of the product.

Variable Consideration: The Company estimates whether it will be subject to variable consideration under the terms of the contract and includes its estimate of variable consideration in the transaction price based on the expected value method when it is deemed probable of being realized based on historical experience and trends. Types of variable consideration may include rebates, incentives and discounts, among others, which are recorded as a reduction to net sales at the time when control of a performance obligation is transferred to the customer.

Practical Expedients & Exemptions: The Company elected to expense the incremental cost to obtaining a contract when the amortization period for such contracts would be one year or less. The Company does not disclose the value of unperformed

obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which it recognizes revenue at the amount to which it has the right to invoice for services performed.

Note 3. Restructuring Charges

The Company has undertaken or committed to various restructuring initiatives including workforce reductions; leadership changes; plant consolidations to reduce manufacturing overhead; satellite office closures; the continued movement of production and product sourcing to low-cost alternatives; and the centralization and standardization of certain administrative functions. Liabilities for severance will generally be paid within twelve months, while future lease payments related to facilities vacated as a result of restructuring will be paid over the underlying remaining lease terms. During fiscal 2019, the Company announced a new restructuring plan focused on i) the integration of the Enerpac and Hydratight businesses (IT&S segment), ii) the strategic exit of certain commodity type services in our North America Services operations (IT&S segment) and iii) driving efficiencies within the overall corporate structure. In the third quarter of fiscal 2020, the Company announced the expansion and revision of this plan, which further simplifies and flattens the Corporate structure through elimination of redundancies between the segment and corporate functions, while enhancing our commercial and marketing processes to become even closer to our customers. Restructuring charges associated with this plan were $6.6 million for the year ended August 31, 2020. The Company recorded total restructuring charges of $4.2 million for the year ended August 31, 2019.

The following rollforwards summarize restructuring reserve activity for the IT&S reportable segment and corporate (in thousands):

	Year Ended August 31, 2019		
	Industrial Tools & Services	Corporate	Total
Balance as of August 31, 2018	$ 1,687	$ 46	$ 1,733
Restructuring charges	4,161	—	4,161
Cash payments	(2,954)	(46)	(3,000)
Other non-cash uses/reclasses of reserve	54	—	54
Impact of changes in foreign currency rates	(36)	—	(36)
Balance as of August 31, 2019	$ 2,912	$ —	$ 2,912

	Year Ended August 31, 2020		
	Industrial Tools & Services	Corporate	Total
Balance as of August 31, 2019	$ 2,912	$ —	$ 2,912
Restructuring charges	4,520	2,073	6,593
Cash payments	(5,458)	(1,286)	(6,744)
Other non-cash uses of reserve [1]	(554)	(521)	(1,075)
Impact of changes in foreign currency rates	23	1	24
Balance as of August 31, 2020	$ 1,443	$ 267	$ 1,710

[1] Majority of non-cash uses of reserve represents accelerated equity vesting with employee severance agreements.

In the year ended August 31, 2020, the Company recorded $1.6 million of restructuring expenses related to Cortland U.S. (Other segment) of which $0.8 million was reported in the Consolidated Statements of Operations in "Cost of products sold". Restructuring reserves for Cortland U.S. were $0.4 million and $0.9 million for the year ended August 31, 2020 and 2019, respectively. There were inconsequential restructuring charges recorded within the Other segment associated with the legacy restructuring initiatives in the year ended August 31, 2019.

Total restructuring charges (inclusive of the Other segment) were $8.1 million for the year ended August 31, 2020, with approximately $0.8 million of the restructuring charges being reported in the Consolidated Statements of Operations in "Cost of products sold," with the balance of the charges reported in "Restructuring charges."

Note 4. Acquisitions

Fiscal 2020 Acquisition

On January 7, 2020, the Company acquired 100% of the stock of HTL Group ("HTL"), a provider of controlled bolting products, calibration and repair services, and tool rental services. The tuck-in acquisition of HTL provides the Company with a complete line of bolting products and enhances our European rental capabilities. The Company acquired all of the assets and assumed certain liabilities of HTL for a final purchase price of $33.3 million (inclusive of the settlement of working capital adjustments). The final purchase price allocation resulted in $11.3 million of goodwill (which is not deductible for tax purposes), $16.1 million of intangible assets, and $6.7 million of property, plant and equipment. The intangible assets were comprised of $3.3 million of indefinite-lived tradenames, $12.1 million of amortizable customer relationships and $0.7 million of amortizable patents. The impact on the remaining balance sheet line items was not material.

This acquisition generated net sales of $6.3 million for the year ended August 31, 2020 which are reported within the IT&S reportable segment. This acquisition does not meet the significance tests to require pro forma financial information otherwise required for acquisitions.

Fiscal 2018 Acquisitions

The Company acquired the stock and certain assets of Mirage Machines, Ltd. ("Mirage") onDecember 1, 2017 for a purchase price of $17.4 million, net of cash acquired. This IT&S segment tuck-in acquisition is a provider of industrial and energy maintenance tools. The final purchase price allocation resulted in $10.3 million of goodwill (which is not deductible for tax purposes) and $4.1 million of intangible assets. The intangible assets were comprised of $2.3 million of indefinite-lived tradenames and $1.8 million of amortizable customer relationships.

The Company acquired the stock of Equalizer International, Limited ("Equalizer") onMay 11, 2018 for a purchase price of $5.8 million, net of cash acquired. This IT&S segment tuck-in acquisition is a provider of industrial and energy maintenance tools, expanding our pipe and flange alignment offerings. The final purchase price allocation resulted in $2.4 million of goodwill (a portion of which is not deductible for tax purposes) and $2.1 million of intangible assets. The intangible assets were comprised of $0.8 million of indefinite lived tradenames and $1.3 million of amortizable customer relationships and patents.

The Company incurred acquisition transaction costs of $1.1 million for the year ended August 31, 2018 (included in "Selling, administrative and engineering expenses" in the Consolidated Statements of Operations) related to these acquisitions.

The acquired businesses generated combined net sales of $5.1 million, $14.1 million and $9.4 million for the year ended August 31, 2020, 2019 and 2018, respectively. The acquisitions individually and in the aggregate do not meet the significance tests to require pro forma financial information otherwise required for acquisitions.

Note 5. Discontinued Operations and Other Divestiture Activities

Discontinued Operations

On October 31, 2019, as part of our overall strategy to become a pure-play industrial tools and services company, the Company completed the sale of the businesses comprising its former Engineered Components & Systems ("EC&S") segment to wholly owned subsidiaries of BRWS Parent LLC, a Delaware limited liability company and affiliate of One Rock Capital Partners II, LP, for a sales price of approximately $215.8 million (inclusive of the settlement of working capital adjustments). Approximately $3.0 million of the purchase price was to be paid in four equal quarterly installments after closing, of which $0.7 million is outstanding as of August 31, 2020. In connection with the completion of the sale, the Company recorded a net loss of $4.7 million comprised of a loss of $23.0 million representing the excess of the net assets (exclusive of deferred tax assets and liabilities associated with subsidiaries of the Company whose stock was sold as part of the transaction) as compared to the purchase price less costs to sell and the recognition in earnings of the cumulative effect of foreign currency exchange gains and losses during the year largely offset by an income tax benefit of $18.3 million associated with the write off of the net deferred tax liability on subsidiaries of the EC&S segment for which the stock was divested. The Company also recognized an additional $3.3 million of impairment & divestiture costs associated with the accelerated vesting of restricted stock awards associated with employees terminated as part of the transaction and $2.7 million of additional divestiture charges which were necessary to complete the transaction.

At August 31, 2019, the EC&S segment met the criteria for assets held-for-sale treatment. As a result, the Company recognized impairment & divestiture charges in fiscal 2019 of $264.5 million which consisted of $210.0 million representing the excess net book value of the net assets over the anticipated sales proceeds less costs to sell and $54.5 million representing the recognition in earnings of the cumulative effect of foreign currency exchange losses previously recorded in equity since acquisition.

On December 31, 2018, the Company completed the sale of the Precision Hayes International business for $23.6 million cash, net of final transaction costs, working capital adjustments, accelerated vesting of equity compensation, retention bonuses and other adjustments. The Company recorded $9.5 million of impairment & divestiture charges during the fiscal year representing the excess of the net book value of the assets held for sale less the anticipated proceeds, less costs to sell. During the fourth quarter of fiscal 2018, the Company recognized impairment & divestiture charges of $23.7 million relating to the excess of net book value of assets over anticipated proceeds which consisted of i) $17.5 million related to goodwill, ii) $5.0 million related to amortizable intangible assets and ii) $1.2 million related to fixed asset impairment.

The Company also completed the sale of the Cortland Fibron business on December 19, 2018 for $12.5 million in cash. The Company recognized $1.7 million of impairment & divestiture charges in fiscal 2019 representing the excess net book value of the net assets less the proceeds from sale, net of transaction costs. Additionally, due to the business meeting the criteria for asset held for sale treatment at August 31, 2018, the Company recognized impairment & divestiture charges in fiscal 2018 of $46.3 million which consisted of i) $35.3 million related to the recognition in earnings of the cumulative effect of foreign currency rate changes since acquisition; ii) $10.5 million representing the excess of the net book value of assets held for sale to the anticipated proceeds and iii) $0.5 million of other divestiture charges.

As the aforementioned divestitures were a part of our strategic shift to become a pure-play industrial tools and services company, the results of their operations (including the stated impairment & divestiture charges) are recorded as a component of "Loss from discontinued operations" in the Consolidated Statements of Operations for all periods presented.

The following is a summary of the assets and liabilities of discontinued operations (in thousands):

		August 31, 2019
Accounts receivable, net	$	52,802
Inventories, net		76,825
Other current assets		8,058
Property, plant & equipment, net		32,172
Goodwill		16,862
Other intangible assets, net		93,314
Other long-term assets		5,545
Assets of discontinued operations	$	285,578
Trade accounts payable	$	43,628
Accrued compensation and benefits		12,101
Reserve for cumulative translation adjustment		54,469
Other current liabilities		12,101
Deferred income taxes		20,029
Pension and postretirement benefit liabilities		1,344
Other long-term liabilities		91
Liabilities of discontinued operations	$	143,763

The following represents the detail of "Loss from discontinued operations, net of income taxes" within the Consolidated Statements of Operations (in thousands):

	Year Ended August 31,		
	2020 *	2019	2018
Net sales	$ 67,010	$ 459,144	$ 541,308
Cost of products sold	49,749	344,563	409,332
Gross profit	17,261	114,581	131,976
Selling, administrative and engineering expenses	11,561	68,339	81,188
Amortization of intangible assets	—	5,666	11,285
Restructuring (benefit) charges	(11)	1,779	1,440
Impairment & divestiture charges**	28,972	286,175	70,071
Operating loss	(23,261)	(247,378)	(32,008)
Financing costs, net	14	124	619
Other (income) expense, net	(104)	1,922	(759)
Loss before income tax (benefit) expense	(23,171)	(249,424)	(31,868)
Income tax (benefit) expense	(18,337)	7,788	(5,474)
Net loss from discontinued operations	$ (4,834)	$ (257,212)	$ (26,394)

* "Loss from discontinued operations, net of income taxes" for the year ended August 31, 2020 includes the results of the EC&S segment for the two months ended October 31, 2019 (the divestiture date) as well as the ancillary impacts from certain retained liabilities subsequent to the divestiture. As a result of the classification of the segment as assets and liabilities held for sale for the two months ended October 31, 2019, the Company did not record amortization or depreciation expense in the results of operations in accordance with GAAP.

** In addition to the impairment & divestiture charges discussed above, the Company also incurred approximately $10.5 million of divestiture charges in fiscal 2019 related to the, at the time, anticipated divestiture of EC&S.

Other Divestiture Activities

On September 20, 2019, the Company completed the sale of the UNI-LIFT product line, a component of our Milwaukee Cylinder business (IT&S segment) for net cash proceeds of $7.5 million (inclusive of the settlement of working capital adjustments and the buyer achieving certain criteria which met the requirement for payment of $1.5 million of contingent proceeds). The transaction resulted in an impairment & divestiture benefit of $6.3 million for the year ended August 31, 2020 recorded as an "Impairment & divestiture benefit" within the Consolidated Statements of Operations.

After the sale of the UNI-LIFT product line, the Company determined that the remaining Milwaukee Cylinder business was a non-core asset, did not align with the strategic objectives of the Company and, as a result, the Company committed to a plan to sell this business. The Company completed the divestiture of the Milwaukee Cylinder business on December 2,
2019 for a negligible amount. The Company recorded impairment & divestiture charges of $4.5 million for the year ended August 31, 2020 predominately comprised of impairment charges of $2.5 million representing the excess of net assets held for sale compared to the net proceeds and $1.7 million associated with our requirement to withdraw from the multi-employer pension plan associated with that business and $0.3 million of other divestiture related charges and true-ups of retained liabilities.

The historical results of the Milwaukee Cylinder business, inclusive of the UNI-LIFT product line, (which had net sales of $2.9 million, $13.2 million and $11.1 million in the year ended August 31, 2020, 2019 and 2018, respectively) are not material to the consolidated financial results.

On October 22, 2019, the Company completed the sale of the Connectors product line (IT&S segment) for net cash proceeds of $2.7 million, which resulted in an impairment & divestiture benefit of $1.0 million in the year ended August 31, 2020. The historical results of the Connectors product line (which had net sales of $0.2 million, $5.0 million and $0.2 million for the year ended August 31, 2020, 2019 and 2018, respectively) are not material to the consolidated financial results.

During the year ended August 31, 2020, the Company modified estimates on outstanding legal matters associated with previously divested businesses, as such, recorded a net impairment & divestiture benefit of $0.5 million in the year ended August 31, 2020.

On December 1, 2017, the Company completed the sale of the Viking business (Other Segment) for net cash proceeds of $8.8 million, which resulted in an after-tax impairment & divestiture charge of $12.4 million in fiscal 2018, comprised of real estate lease exit charges of $3.0 million related to retained facilities that became vacant as a result of the Viking divestiture and approximately $9.4 million of associated discrete income tax expense.

The historical results of the Viking business (which had net sales of $2.7 million in the year ended August 31, 2018) are not material to the consolidated financial results.

Note 6. Goodwill, Intangible Assets and Long-Lived Assets

Changes in the gross carrying value of goodwill and intangible assets result from changes in foreign currency exchange rates, business acquisitions, divestitures and impairment charges. The changes in the carrying amount of goodwill for the years ended August 31, 2020 and 2019 by operating segment are as follows (in thousands):

	Industrial Tools & Services	Other	Total
Balance as of August 31, 2018	$ 248,705	$ 31,427	$ 280,132
Purchase accounting adjustments	253	—	253
Impairment charge	—	(13,678)	(13,678)
Impact of changes in foreign currency rates	(6,085)	(207)	(6,292)
Balance as of August 31, 2019	242,873	17,542	260,415
Acquisition of HTL Group (Note 4)	11,261	—	11,261
Impairment charge	—	—	—
Impact of changes in foreign currency rates	9,403	75	9,478
Balance as of August 31, 2020	$ 263,537	$ 17,617	$ 281,154

The gross carrying value and accumulated amortization of the Company's intangible assets are as follows (in thousands):

	Weighted Average Amortization Period (Year)	August 31, 2020			August 31, 2019		
		Gross	Accumulated Amortization	Net Book Value	Gross	Accumulated Amortization	Net Book Value
Amortizable intangible assets:							
Customer relationships	14	$ 141,853	$ 106,491	$ 35,362	$ 126,229	$ 96,817	$ 29,412
Patents	12	14,365	13,228	1,137	13,227	12,276	951
Trademarks and tradenames*	12	3,277	2,257	1,020	4,513	2,921	1,592
Indefinite lived intangible assets:							
Tradenames	N/A	24,863	—	24,863	20,420	—	20,420
		$ 184,358	$ 121,976	$ 62,382	$ 164,389	$ 112,014	$ 52,375

*The decrease in the Gross Carrying Value and Accumulated Amortization of Trademarks and tradenames is a result of the Milwaukee Cylinder divestiture on December 2, 2019 as discussed in Note 5, "Discontinued Operations and Other Divestiture Activities." The Company recorded a full impairment of the tradename in the first quarter in order to write the net assets of the business down to the expected sales proceeds in advance of the divestiture.

The Company estimates that amortization expense for future years is estimated to be $8.2 million in fiscal year 2021, $7.4 million in fiscal year 2022, $5.8 million in fiscal 2023, $4.2 million in fiscal 2024, $3.4 million in fiscal 2025 and $8.5 million in aggregate thereafter. The future amortization expense amounts represent estimates and may be impacted by future acquisitions, divestitures or changes in foreign currency exchange rates, among other causes.

Fiscal 2019 Impairment Charges

Within the Other segment, the Company recognized a $13.7 million Goodwill impairment charge related to Cortland U.S. in conjunction with triggering events identified during the fiscal year.

In the fourth quarter of fiscal 2019, the Company's branding strategy was revised such that two secondary tradenames previously considered to have indefinite lives were to be phased out and re-branded over the course of fiscal 2020. As such, the Company recorded an impairment & divestiture charge of $2.6 million based on the estimated remaining fair value of the respective tradenames. In addition, based on restructuring actions taken in the fourth quarter of fiscal 2019 related to the North America Services operations, the Company concluded that the fair value of a customer relationship intangible was less than the current net book value, and therefore, a $6.2 million impairment & divestiture charge was recorded. The tradename and customer relationships impairments both related to assets within the IT&S segment.

Note 7. Debt

The following is a summary of the Company's long-term indebtedness (in thousands):

	August 31,	
	2020	2019
Senior Credit Facility		
Revolver	$ 255,000	$ —
Term Loan	—	175,000
Total Senior Credit Facility	255,000	175,000
5.625% Senior Notes	—	287,559
Total Senior Indebtedness	255,000	462,559
Less: Current maturities of long-term debt	—	(7,500)
Debt issuance costs	—	(2,114)
Total long-term debt, less current maturities	$ 255,000	$ 452,945

Senior Credit Facility

In March 2019, the Company entered into a Senior Credit Facility with a syndicate of banks, to among other things, i) expand the multi-currency revolving line of credit from $300 million to $400 million, ii) extend the maturity of the Company's Senior Credit Facility from May 2020 to March 2024 and iii) modify certain other provisions of the credit agreement including a reduction in pricing. The Senior Credit Facility was initially comprised of a $400 million revolving line of credit and a $200 million term loan. At August 31, 2020, there were $255 million borrowings under the revolving line of credit and no borrowings under the term loan. As of that date, $139.9 million was available for borrowing under the revolving line of credit.

The Senior Credit Facility also provides the option for future expansion, subject to certain conditions, through a $300 million accordion and/or a $200 million incremental term loan. Borrowings under the Senior Credit Facility bear interest at a variable rate based on LIBOR or a base rate, ranging from 1.125% to 2.00% in the case of loans bearing interest at LIBOR and from 0.125% to 1.00% in the case of loans bearing interest at the base rate. In addition, a non-use fee was payable quarterly on the average unused amount of the revolving line of credit ranging from 0.15% to 0.3% per annum, based on the Company's net leverage.

In November 2019, the Company used the proceeds from the sale of the EC&S segment to pay off the outstanding principal balance on the term loan. In conjunction with the repayment, the Company expensed, within "Financing costs, net" in the Consolidated Statements of Operations, the remaining $0.6 million of associated capitalized debt issuance costs.

In order to reduce interest costs, in June 2020, the Company borrowed $295 million under the Senior Credit Facility revolving line of credit, which was used by the Company to redeem all of the outstanding Senior Notes plus accrued interest. In conjunction with the redemption of the Senior Notes, the Company expensed, within "Financing costs, net" in the Consolidated Statements of Operations, the remaining $1.0 million of associated capitalized debt issuance costs.

The Senior Credit Facility contains two financial covenants which are a maximum leverage ratio of 3.75:1 and a minimum interest coverage ratio of 3.5:1. Certain transactions lead to adjustments to the underlying ratio, including an increase to the leverage ratio from 3.75 to 4.25 during the four fiscal quarters after a significant acquisition. The sale of the EC&S segment triggered a reduction of the minimum interest coverage ratio from 3.5 to 3.0 for any fiscal quarter ending within twelve months after the sale of the EC&S segment. In April 2020, the Company proactively amended its Senior Credit Facility to extend the interest coverage ratio at 3.0 for an additional 12 months through October 2021 to mitigate risks associated with the potential impact of the COVID-19 pandemic.

The Company was in compliance with all financial covenants at August 31, 2020. Borrowings under the Senior Credit Facility are secured by substantially all personal property assets of the Company and its domestic subsidiary guarantors and certain equity interests owned by the foreign law pledgors.

Senior Notes

On April 16, 2012, the Company issued $300 million of 5.625% Senior Notes due 2022 (the "Senior Notes"), none of which remain outstanding. The Senior Notes included a call feature that allowed the Company to redeem them anytime on or after June 15, 2017 at stated redemption prices that reduced to 100% on June 15, 2020, plus accrued and unpaid interest. In order to reduce interest costs, in June 2020, the Company redeemed all of the outstanding Senior Notes at a price equal to 100% of the principal amount thereof, plus the settlement of accrued and unpaid interest.

Cash Paid for Interest

The Company made cash interest payments of $18.7 million, $26.3 million and $28.8 million in fiscal 2020, 2019 and 2018, respectively.

Note 8. Fair Value Measurements

The Company assesses the inputs used to measure the fair value of financial assets and liabilities using a three-tier hierarchy. Level 1 inputs include unadjusted quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, foreign currency exchange rates, commodity rates and yield curves. Level 3 inputs are not observable in the market and include management's own judgments about the assumptions market participants would use in pricing an asset or liability.

The fair value of the Company's cash and cash equivalents, accounts receivable, accounts payable and variable rate long-term debt approximated book value at both August 31, 2020 and 2019 due to their short-term nature and the fact that the interest rates approximated market rates. Foreign currency exchange contracts and interest rate swaps are recorded at fair value. The fair value of the Company's foreign currency exchange contracts was a net asset of $0.2 million at August 31, 2020 and a net asset of less than $0.1 million at August 31, 2019. The fair value of the Company's interest rate swap (see Note 9, "Derivatives", for further information on the Company's interest rate swap) was a net liability of $0.1 million at August 31, 2020. The fair value of the foreign currency exchange and interest rate swaps contracts were based on quoted inactive market prices and therefore classified as Level 2 within the valuation hierarchy. The fair value of the Company's outstanding Senior Notes was $291.5 million at August 31, 2019. The fair value of the Senior Notes was based on quoted inactive market prices and are therefore classified as Level 2 within the valuation hierarchy.

As discussed in Note 4, "Acquisitions", the Company acquired HTL Group and recorded the assets acquired and liabilities assumed at fair value, of which the most significant judgments were associated with intangible assets (including tradenames, customer relationships and patents) and property, plant and equipment. As discussed in Note 6, "Goodwill, Intangible Assets and Long-Lived Assets", the Company recorded impairment on indefinite-lived tradenames and customer relationships in the fourth quarter of fiscal 2019. The fair value of the tradenames, customer relationships and patents acquired and/or impaired were determined utilizing generally accepted valuation techniques, specifically, forecasting future revenues and/or using a market royalty rate. The fair value of property, plant and equipment were also determined utilizing generally accepted valuation techniques, specifically utilizing an approach of assessing the replacement/reproduction cost of a new asset and adjusting for the asset's current physical deterioration. These valuations represent Level 3 assets measured at fair value on a nonrecurring basis.

Note 9. Derivatives

All derivatives are recognized in the balance sheet at their estimated fair value. The Company does not enter into derivatives for speculative purposes. Changes in the fair value of derivatives (not designated as hedges) are recorded in earnings along with the gain or loss on the hedged asset or liability.

The Company is exposed to market risk for changes in foreign currency exchange rates due to the global nature of its operations. In order to manage this risk, the Company utilizes foreign currency exchange contracts to reduce the exchange rate risk associated with recognized non-functional currency balances. The effects of changes in exchange rates are reflected concurrently in earnings for both the fair value of the foreign currency exchange contracts and the related non-functional currency asset or liability. These derivative gains and losses offset foreign currency gains and losses from the related revaluation of non-functional currency assets and liabilities (amounts included in "Other (income) expense" in the Consolidated Statements of Operations). The U.S. dollar equivalent notional value of these short duration foreign currency exchange contracts was $16.7 million and $13.3 million at August 31, 2020 and 2019, respectively. The fair value of outstanding foreign currency exchange contracts was an asset of $0.2 million at August 31, 2020 and an asset of less than $0.1 million at August 31,

2019. Net foreign currency (losses) gains (included in "Other (income) expense" in the Consolidated Statements of Operations) related to these derivative instruments are as follows (in thousands):

	Year Ended August 31,		
	2020	2019	2018
Foreign Currency (losses) gains	$ (594)	$ (292)	$ 249

The Company also used foreign currency forward exchange contracts to hedge portions of our net investments in non-U.S. subsidiaries (net investment hedge) against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar in the year ended August 31, 2020. The change in the value of foreign currency forward exchange contracts designated as net investment hedges are recorded in accumulated other comprehensive loss where they offset gains and losses recorded on our net investments where the entity has a non-U.S. dollar functional currency. As of August 31, 2020, the Company had no outstanding foreign currency forward exchange contracts designated as net investment hedges. The Company recorded through accumulated other comprehensive income (loss) a loss of $0.5 million for the year ended August 31, 2020 related to net investment hedges.

The Company is the fixed-rate payor on an interest rate swap contract that fixes the LIBOR-based index used to determine the interest rates charged on a total of $100.0 million of the Company's LIBOR-based variable rate borrowings on the revolving line of credit. The contract carries a fixed rate of 0.259% and expires in August 2021. The swap agreement qualifies as a hedging instrument and has been designated as a cash flow hedge of forecasted LIBOR-based interest payments. The change in the fair value of the interest rate swap, a loss of $0.1 million, is recorded in accumulated other comprehensive loss ("AOCL") and recorded through accumulated other comprehensive income (loss). The Company expects to reclassify the loss of $0.1 million out of AOCL and into earnings during the next 12 months. The Company's LIBOR-based variable rate borrowings outstanding with terms matching the pay-fixed interest rate swap as of August 31, 2020 were $180.0 million.

Note 10. Leases

The Company adopted ASC 842 on September 1, 2019 using a modified retrospective approach and as a result did not adjust prior periods. See Note 1, "Summary of Significant Accounting Policies" for further discussion of the adoption.

As of August 31, 2020, the Company had operating leases for real estate, vehicles, manufacturing equipment, IT equipment and office equipment. The Company did not have any financing leases during the year ended August 31, 2020. Our real estate leases are generally for office, warehouse and manufacturing facilities typically ranging in term from 3 to 15 years and may contain renewal options for periods up to 5 years at our discretion. Our equipment leases are generally for vehicles, manufacturing and IT equipment typically ranging in term from 3 to 7 years and may contain renewal options for periods up to one year at our discretion. Our leases generally contain payments that are primarily fixed; however, certain lease arrangements contain variable payments, which are expensed as incurred and not included in the measurement of ROU assets and lease liabilities. These amounts include payments affected by changes in the Consumer Price Index and executory costs (such as real estate taxes, utilities and common-area maintenance), which are based on usage or performance. In addition, our leases generally do not include material residual value guarantees or material restrictive covenants.

We determine if an arrangement contains a lease in whole or in part at the inception of the contract and identify classification of the lease as financing or operating. ROU assets represent our right to use an underlying asset for the lease term while lease liabilities represent our obligation to make lease payments arising from the lease. We account for the underlying operating lease asset at the individual lease level. Operating leases are recorded as operating lease ROU assets in "Other long-term assets" and operating lease liabilities in "Other current liabilities" and "Other long-term liabilities" on the Consolidated Balance Sheets.

All leases greater than 12 months result in recognition of a ROU asset and a liability at the lease commencement date and are recorded at the present value of the future minimum lease payments over the lease term. The lease term is equal to the initial term at commencement plus any renewal or extension options that the Company is reasonably certain will be exercised. ROU assets at the date of commencement are equal to the amount of the initial lease liability, the initial direct costs incurred by the Company and any prepaid lease payments less any incentives received. Lease expense for operating leases is recognized on a straight-line basis over the lease term or remaining useful life. As most of our leases do not provide the information required to determine the implicit rate, we utilize a consolidated group incremental borrowing rate for all leases as the Company has centralized treasury operations. The incremental borrowing rate is derived through a combination of inputs such as the Company's credit rating, impact of collaborated borrowing capabilities and lease term.

The Company considers contract modifications when there is a change to the contractual terms, scope of the lease or the consideration given. In the event the right to use an additional asset is granted and the lease payments associated with the additional asset are commensurate with the ROU asset's standalone price, the modification is accounted for as a separate

contract and the original contract remains unchanged. In the event that a single lease is modified, the Company reassesses the classification of the modified lease as of the effective date of the modification based on the modified terms and accounts for initial direct costs, lease incentives and any other payments made to or by the Company in connection with the modification in the same manner that items would be accounted for in connection with a new lease. If there is an additional ROU asset included, the lease term is extended or reduced, or the consideration is the only change in the contract, the Company reallocates the remaining consideration in the contract and remeasures the lease liability using a discount rate determined at the effective date of the modification. The remeasured lease liability for the modified lease is an adjustment to the corresponding ROU asset and does not impact the Consolidated Statements of Operations. In the event of a full or partial termination, the carrying value of the ROU asset decreases on a basis proportionate to the full or partial termination and any difference between the reduction in the lease liability and the proportionate reduction of the ROU asset is recognized as a gain or loss at the effective date of the modification.

The Company elected not to recognize leases with the duration of less than one-year on its balance sheet and continues to expense such leases on a straight-line basis over the lease term.

The components of lease expense for the year ended August 31, 2020 were as follows (in thousands):

	Year Ended August 31, 2020
Lease Cost:	
Operating lease cost	$ 15,713
Short-term lease cost	1,508
Variable lease cost	2,244

Supplemental cash flow and other information related to leases were as follows (in thousands):

	Year Ended August 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 15,768
Right-of-use assets obtained in exchange for new lease liabilities:	
Operating leases	5,727

Supplemental balance sheet information related to leases were as follows (in thousands):

	August 31, 2020
Operating leases:	
Other long-term assets	$ 48,733
Other current liabilities	11,870
Other long-term liabilities	38,079
Total operating lease liabilities	$ 49,949
Weighted Average Remaining Lease Term (in years):	
Operating leases	7.6 years
Weighted Average Discount Rate:	
Operating leases	4.4 %

A summary of the future minimum lease payments due under operating leases with terms of more than one year at August 31, 2020 is as follows (in thousands):

	Operating Leases
2021	$ 13,640
2022	9,798
2023	7,671
2024	6,161
2025	4,650
Thereafter	17,290
Total minimum lease payments	59,210
Less imputed interest	(9,261)
Present value of net minimum lease payments	$ 49,949

As of August 31, 2020, we have an additional operating lease of $1.6 million, for real estate, that has not yet commenced and therefore is not reflected on the consolidated balance sheet nor in the tables above. This operating lease commences in the year ending August 31, 2021 with a lease term of 5 years.

A summary of the future minimum lease payments due under operating leases with terms of more than one year at August 31, 2019 is as follows (in thousands):

	Operating Leases
2020	$ 15,792
2021	12,266
2022	10,111
2023	6,865
2024	5,177
Thereafter	21,620
Present value of net minimum lease payments	$ 71,831

Note 11. Employee Benefit Plans

U.S. Defined Benefit Pension Plans

All of the U.S. defined benefit pension plans are frozen, and as a result, plan participants no longer earn additional benefits.The following table provides detail of changes in the projected benefit obligations, the fair value of plan assets and the funded status of the Company's U.S. defined benefit pension plans as of the respective August 31 measurement date (in thousands):

	2020	2019
Reconciliation of benefit obligations:		
Benefit obligation at beginning of year	$ 47,400	$ 43,280
Interest cost	1,331	1,694
Actuarial loss	4,131	5,339
Benefits paid	(3,222)	(2,913)
Benefit obligation at end of year	$ 49,640	$ 47,400
Reconciliation of plan assets:		
Fair value of plan assets at beginning of year	$ 40,412	$ 40,244
Actual return on plan assets	2,562	2,972
Company contributions	183	108
Benefits paid from plan assets	(3,222)	(2,912)
Fair value of plan assets at end of year	39,935	40,412
Funded status of the plans (underfunded)	$ (9,705)	$ (6,988)

The following table provides detail on the Company’s domestic net periodic benefit expense (in thousands):

	Year ended August 31,		
	2020	2019	2018
Interest cost	$ 1,331	$ 1,694	$ 1,633
Expected return on assets	(1,770)	(2,208)	(2,668)
Amortization of actuarial loss	1,212	990	1,127
Net periodic benefit expense	$ 773	$ 476	$ 92

As of August 31, 2020 and 2019, $21.4 million and $16.1 million, respectively, of pension plan actuarial losses, which have not yet been recognized in net periodic benefit cost, were included in accumulated other comprehensive loss, net of income taxes. During fiscal 2021, $1.3 million of these actuarial losses are expected to be recognized in net periodic benefit cost.

Weighted-average assumptions used to determine U.S. pension plan obligations as of August 31 and weighted-average assumptions used to determine net periodic benefit cost for the years ended August 31 are as follows:

	2020	2019	2018
Assumptions for benefit obligations:			
Discount rate	2.40 %	2.90 %	4.05 %
Assumptions for net periodic benefit cost:			
Discount rate	2.90 %	4.05 %	3.60 %
Expected return on plan assets	4.60 %	5.75 %	7.00 %

Prior to fiscal 2019, the Company focused on employing a total-return-on-investment approach for its pension plan assets whereby a mix of equity and fixed income investments were used to maximize the long-term return for plan assets, at prudent levels of risk. During fiscal 2019, the Company made a strategic decision to shift the focus to an objective to achieve an asset and liability duration match so that interim fluctuations in funded status should be limited by increasing the correlation between assets and liabilities. As such, the plan assets are invested to maintain funded ratios over the long term, while managing the risk that funded ratios fall meaningfully below 100%. At this time, the plan portfolio is significantly invested in duration-matched fixed income securities, which aligns to the plan's asset investment mix of 70% fixed income securities and 30% equity securities. Cash balances are maintained at levels adequate to meet near-term plan expenses and benefit payments. Investment risk is measured and monitored on an ongoing basis. At August 31, 2020, the Company’s overall expected long-term rate of return for assets in U.S. pension plans was 4.20%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The target return is based on historical returns adjusted to reflect the current view of the long-term investment market.

The U.S. pension plan investment allocations by asset category were as follows (in thousands):

	Year Ended August 31,			
	2020	%	2019	%
Cash and cash equivalents	$ —	— %	$ 304	0.8 %
Income receivable	55	0.1	—	—
Fixed income securities:				
U.S. Treasury Securities	5,206	13.0	—	—
Corporate Bonds	—	—	5,127	12.7
Mutual funds	23,091	57.9	23,206	57.4
	28,297	70.9	28,333	70.1
Equity securities:				
Mutual funds	11,583	29.0	11,775	29.1
Total plan assets	$ 39,935	100.0 %	$ 40,412	100.0 %

The fair value of mutual funds are based on unadjusted quoted market prices and therefore are classified as Level 1 within the fair value hierarchy under GAAP. U.S. Treasury Securities and Corporate Bonds are valued using Level 2 inputs, as defined in Note 8, "Fair Value Measurements."

Projected benefit payments from plan assets to participants in the Company's U.S. pension plans are $2.9 million for fiscal 2021 and $3.0 million per year for each of the next four years and $14.7 million in aggregate for the following five years. The Company made a contribution of $0.6 million to the U.S. pension plans in September of fiscal 2021.

Foreign Defined Benefit Pension Plans

The Company has eight foreign defined benefit pension plans which cover certain existing and former employees of businesses outside the U.S. Most of the participants in the foreign defined benefit pension plans are current employees and are earning additional benefits. The following table provides detail of changes in the projected benefit obligations, the fair value of plan assets and the funded status of the Company's foreign defined benefit pension plans as of the respective August 31 measurement date (in thousands):

	2020	2019
Reconciliation of benefit obligations:		
Benefit obligation at beginning of year	$ 15,103	$ 13,056
Employer service costs	284	450
Interest cost	171	257
Actuarial (gain)/loss	(495)	2,594
Benefits paid	(300)	(421)
Plan amendments	—	89
Curtailments	(1,687)	(107)
Currency impact	1,221	(815)
Benefit obligation at end of year	$ 14,297	$ 15,103
Reconciliation of plan assets:		
Fair value of plan assets at beginning of year	$ 8,118	$ 7,902
Actual return on plan assets	69	752
Company contributions	323	374
Benefits paid from plan assets	(300)	(421)
Currency impact	770	(489)
Fair value of plan assets at end of year	8,980	8,118
Funded status of the plans (underfunded)	$ (5,317)	$ (6,985)

The following table provides detail on the Company’s foreign net periodic benefit expense (in thousands):

	Year ended August 31,		
	2020	2019	2018
Employer service costs	$ 284	$ 450	$ 440
Interest cost	171	257	278
Expected return on assets	(357)	(345)	(366)
Amortization of net prior service credit	(18)	(65)	(69)
Amortization of net loss	205	263	306
(Income) or cost of special events	(728)	(56)	18
Net periodic benefit (income) expense	$ (443)	$ 504	$ 607

The weighted average discount rate utilized for determining the benefit obligation at August 31, 2020 and 2019 wasl.4% and 1.1%, respectively. The plan assets of these foreign pension plans consist primarily of participating units in fixed income and equity securities and insurance contracts. The Company’s overall expected long-term rate of return on these investments is 3.9%. During fiscal 2021, the Company anticipates contributing $0.2 million to these pension plans.

In fiscal 2020, the Company moved certain employees in a foreign pension plan into a multi-employer pension plan which triggered a curtailment. The curtailment resulted in a reduction to the projected benefit obligation of that plan of $1.7 million, of which $0.7 million was recorded as a component of Other (income) expense, net within the Consolidated Statements of Operations and the remaining $1.0 million was recorded through Other comprehensive income (loss) on the Consolidated Statements of Comprehensive Income (Loss).

Projected benefit payments to participants in the these foreign plans are $0.4 million for fiscal 2021, $0.3 million in each of the following four fiscal years and $1.9 million in aggregate for the following five years.

Other Postretirement Health Benefit Plans

The Company provides other postretirement health benefits (“OPEB”) to certain existing and former employees of domestic businesses it acquired, who were entitled to such benefits prior to acquisition. These unfunded plans had a benefit obligation of $2.4 million and $3.1 million at August 31, 2020 and 2019, respectively. These obligations are determined utilizing assumptions consistent with those used for our U.S. pension plans and a health care cost trend rate of 6.5%, trending downward to 5.0% by the year 2026, and remaining level thereafter. Net periodic benefit costs for other postretirement benefits was income of $0.3 million and $0.1 million for the year ended August 31, 2020 and 2019, respectively and expense of $0.1 million for the year-ended August 31, 2018. Benefit payments from the plan are funded through participant contributions and Company contributions. Benefit payments are projected to be $0.2 million in fiscal 2021.

Defined Contribution Benefit Plans

The Company maintains a 401(k) plan for substantially all full time U.S. employees (the “401(k) Plan”). Under plan provisions, the Company can fund either cash or issue new shares of Class A common stock for its contributions. Amounts are allocated to accounts set aside for each employee’s retirement. Employees generally may contribute up to 50% of their compensation to individual accounts within the 401(k) Plan.

While contributions vary, the Company's match contribution is $0.50 for every $1 contributed by employees, up to 8% of the employees' eligible pay. These match contributions are made on every payroll run, meaning the contribution is immediately 100% vested. In response to the COVID-19 pandemic, the Company temporarily suspended its 401(k) match starting in May 2020, which has remained suspended. In addition, the Company may make an annual, discretionary contribution of up to 3% of employees' eligible pay to employees employed as of the end of the plan year. The discretionary contribution has a three-year vesting period. The Company elected not to provide a discretionary contribution for the year ended August 31, 2020. The Company also maintains a Restoration Plan that allows eligible highly compensated employees (as defined by the Internal Revenue Code) to receive a core contribution as if no IRS limits were in place. Company contributions to the Restoration Plan are made in the form of its Class A common stock and contributed into each eligible participant’s deferred compensation plan. In both fiscal 2019 and 2018 the Company contributed $0.1 million to eligible participants; no contributions were made in fiscal 2020. Expense recognized related to the 401(k) plan totaled $1.4 million, $2.7 million and $3.1 million for the year ended August 31, 2020, 2019 and 2018, respectively.

In addition to the 401(k) plan, the Company sponsors a non-qualified supplemental executive retirement plan (“the SERP Plan”). The SERP Plan is an unfunded defined contribution plan that covers certain current and former executive employees and has an annual contribution formula based on age and years of service (with Company contributions ranging from 3% to 6% of eligible wages). This unfunded plan had a $1.3 million and $1.6 million obligation at August 31, 2020 and 2019,

respectively. Expense recognized for the SERP Plan was $0.3 million, $0.4 million and $0.3 million for fiscal 2020, 2019 and 2018, respectively.

Deferred Compensation Plan

The Company maintains a deferred compensation plan to allow eligible U.S. employees to defer receipt of current cash compensation and restricted stock units vesting in order to provide future savings benefits. Eligibility is limited to employees that earn compensation that exceeds certain pre-defined levels. Participants have the option to invest their deferrals in a fixed income investment, a defined set of mutual funds, and/or, with respect to deferrals of restricted stock units, in Company common stock. The fixed income and mutual fund portion of the plan is unfunded, and therefore all compensation deferred under the plan is held by the Company and commingled with its general assets. Liabilities of $15.7 million and $18.4 million are included in the consolidated balance sheets at August 31, 2020 and 2019, respectively, to reflect the unfunded portion of the deferred compensation liability. The Company recorded expense in "Financing costs, net" of $1.1 million, $1.4 million and $1.5 million for the years ended August 31, 2020, 2019 and 2018, respectively, for the non-funded return on participant deferrals. Company common stock contributions to fund the plan are held in a rabbi trust, accounted for in a manner similar to treasury stock and are recorded at cost in “Stock held in trust” within shareholders’ equity on the Consolidated Balance Sheets with the corresponding deferred compensation liability also recorded within shareholders’ equity on the Consolidated Balance Sheets. Since no investment diversification is permitted within the trust, changes in fair value of Enerpac Tool Group common stock are not recognized.

Note 12. Income Taxes

Income tax expense from continuing operations is summarized as follows (in thousands):

	Year ended August 31,		
	2020	**2019**	**2018**
Currently payable:			
Federal	$ (35)	$ (2,040)	$ 291
Foreign	10,004	9,370	9,223
State	142	1,347	358
	10,111	8,677	9,872
Deferred:			
Federal	(7,791)	(400)	(1,143)
Foreign	(1,632)	2,172	5,807
State	1,604	208	(86)
	(7,819)	1,980	4,578
Income tax expense	$ 2,292	$ 10,657	$ 14,450

Income tax expense from continuing operations recognized in the accompanying consolidated statements of operations differs from the amounts computed by applying the federal income tax rate to earnings from continuing operations before income tax expense. A reconciliation of income taxes at the federal statutory rate to the effective tax rate is summarized in the following table:

	Year ended August 31,		
	2020	2019	2018
Federal statutory rate	21.0 %	21.0 %	25.7 %
State income taxes, net of Federal effect	(0.6)	(4.0)	(0.5)
Net effects of foreign tax rate differential and credits [1]	38.7	11.3	(12.2)
Domestic manufacturing deduction	—	—	(1.3)
Foreign branch currency losses	(0.4)	—	(2.1)
Compensation adjustment	6.6	4.4	7.0
Impairment and other divestiture charges [2]	3.3	19.3	39.1
Valuation allowance additions and releases [3]	(8.1)	3.9	20.3
Changes in liability for unrecognized tax benefits	(5.3)	4.1	(34.1)
U.S. tax reform, net impact [4]	(32.5)	(31.1)	2.4
Taxable liquidation of subsidiaries [5]	52.6	—	7.7
Foreign non-deductible expenses	7.4	16.2	12.0
Changes in tax rates	(9.0)	1.7	(1.4)
R&D credit, audits and adjustments [6]	(38.9)	4.8	15.3
Other items	(5.6)	5.3	(2.6)
Effective income tax rate	29.2 %	56.9 %	75.3 %

[1] The Company generated $ 5.4 million, $2.6 million and $ 1.5 million of withholding tax expense for fiscal 2020, 2019 and 2018, respectively, and $ 4.0 million, $3.5 million and $13.3 million of foreign-derived tax credits, excluding the impact of tax reform for fiscal 2020, 2019 and 2018, respectively.

[2] Fiscal 2020, 2019 and 2018 pretax earnings include $(3.2) million, $22.8 million and $ 3.0 million, respectively, in impairment & divestiture (benefits) charges related to goodwill, intangible assets, tangible assets and the cumulative effect of foreign currency rate changes of which $0.3 million, $14.0 million and $ 0.7 million, respectively, are not deductible for income tax purposes.

[3] Incremental valuation allowances of $ 9.4 million and $ 1.7 million and $ 20.4 million were recorded in fiscal 2020, 2019 and 2018, respectively, due to uncertainty regarding realization of tax assets, which were offset by a reduction of $12.3 million, $2.9 million and $ 11.8 million of valuation allowances for fiscal 2020, 2019 and 2018, respectively. These amounts exclude valuation allowances against tax assets related to the tax reform.

[4] During fiscal 2020, legislative changes and additional guidance related to proposed foreign tax credit regulations resulted in adjustments of $(2.6) million related to the fiscal 2019 results.

[5] During fiscal 2020 and 2018, the Company generated a net expense of $ 4.1 million and $ 1.5 million, respectively, as a result of taxable liquidations of subsidiaries.

[6] During fiscal 2020, the Company generated $ 3.1 million of tax benefit related to R&D credits, audits and adjustments as compared to $ 0.9 million tax expense in fiscal 2019 and $2.9 million tax expense in fiscal 2018.

Temporary differences and carryforwards that gave rise to deferred tax assets and liabilities include the following items (in thousands):

	August 31,	
	2020	2019
Deferred income tax assets:		
Operating loss and tax credit carryforwards	$ 99,905	$ 88,198
Compensation related liabilities	5,941	7,752
Postretirement benefits	9,068	9,289
Inventory	1,793	629
Lease liabilities	10,526	—
Book reserves and other items	6,752	11,465
Total deferred income tax assets	133,985	117,333
Valuation allowance	(70,414)	(73,255)
Net deferred income tax assets	63,571	44,078
Deferred income tax liabilities:		
Depreciation and amortization	(31,457)	(26,248)
Lease assets	(10,526)	—
Other items	(702)	(862)
Deferred income tax liabilities	(42,685)	(27,110)
Net deferred income tax asset [(1)]	$ 20,886	$ 16,968

[(1)] The net deferred income tax asset is reflected on the balance sheet in two categories: an asset of $ 22.6 million and $ 18.4 million for fiscal 2020 and 2019, respectively, is included in "Other long-term assets" and a liability of $1.7 million and $ 1.6 million for fiscal 2020 and 2019, respectively, is included in "Deferred income taxes".

The Company has $77.6 million of state net operating loss carryforwards, which are available to reduce future state tax liabilities. These state net operating loss carryforwards expire at various times through 2040. The Company also has $89.3 million of foreign loss carryforwards which are available to reduce certain future foreign tax liabilities. Approximately one-half of the foreign loss carryforwards are not subject to any expiration dates, while the other balances expire at various times through 2030. The valuation allowance represents a reserve for deferred tax assets, including loss carryforwards and foreign tax credits, for which utilization is uncertain.

Changes in the Company’s gross liability for unrecognized tax benefits, excluding interest and penalties, are as follows (in thousands):

	2020	2019	2018
Beginning balance	$ 24,167	$ 24,359	$ 31,446
Increases based on tax positions related to the current year	869	2,169	2,599
Increase for tax positions taken in a prior period	304	1,422	359
Decrease for tax positions taken in a prior period	—	—	(349)
Decrease due to lapse of statute of limitations	(2,334)	(3,212)	(9,163)
Decrease due to settlements	—	(324)	—
Changes in foreign currency exchange rates	199	(247)	(533)
Ending balance	$ 23,205	$ 24,167	$ 24,359

Substantially all of these unrecognized tax benefits, if recognized, would impact the effective income tax rate. As of August 31, 2020, 2019 and 2018, the Company recognized $4.5 million, $3.7 million and $3.0 million, respectively, for interest and penalties related to unrecognized tax benefits. The Company recognizes interest and penalties related to underpayment of income taxes as a component of income tax expense. With few exceptions, the Company is no longer subject to U.S. federal, state and foreign income tax examinations by tax authorities in major tax jurisdictions for years prior to fiscal 2010. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease by up to $1.7 million throughout fiscal 2021.

The Company’s policy is to remit earnings from foreign subsidiaries only to the extent the remittance does not result in an incremental U.S. tax liability. The Company does not currently provide for the additional U.S. and foreign income taxes which would become payable upon remission of undistributed earnings of foreign subsidiaries. If all undistributed earnings were remitted, an additional income tax provision of $2.4 million would have been necessary as of August 31, 2020.

Earnings (loss) before income taxes from continuing operations, are summarized as follows (in thousands):

	Year Ended August 31,		
	2020	2019	2018
Domestic	$ (9,058)	$ (715)	$ 5,337
Foreign	16,907	19,439	13,859
	$ 7,849	$ 18,724	$ 19,196

Both domestic and foreign pre-tax earnings from continuing operations are impacted by changes in operating earnings, acquisition and divestiture activities, restructuring charges and the related benefits, growth investments, debt levels and the impact of changes in foreign currency exchange rates. In fiscal 2020, domestic and foreign earnings included non-cash impairment and other divestiture benefits of $(2.6) million and $(0.6) million, respectively. In fiscal 2019, domestic and foreign earnings included non-cash impairment and other divestiture costs of $9.0 million and $13.8 million, respectively. In fiscal 2018, foreign earnings included $3.0 million of non-cash impairment & divestiture charges. Over 75% of pre-tax earnings from continuing operations (excluding impairment & other divestiture charges) were generated in foreign jurisdictions with tax rates different than the U.S. federal income tax rate.

Cash paid for income taxes, net of refunds, totaled $13.2 million, $15.4 million and $(1.5) million (refund) during the years ended August 31, 2020, 2019 and 2018, respectively.

Note 13. Capital Stock and Share Repurchases

The authorized common stock of the Company as of August 31, 2020 consisted of 168,000,000 shares of Class A common stock, $0.20 par value, of which 82,593,945 and 59,794,715 shares were issued and outstanding, respectively; 1,500,000 shares of Class B common stock, $0.20 par value, none of which are outstanding; and 160,000 shares of cumulative preferred stock, $1.00 par value (“preferred stock”), none of which have been issued. Holders of both classes of the Company’s common stock are entitled to dividends, as the Company’s Board of Directors may declare out of funds legally available, subject to any contractual restrictions on the payment of dividends or other distributions on the common stock. If the Company were to issue any of its preferred stock, no dividends could be paid or set apart on shares of common stock, unless paid in common stock, until dividends on all of the issued and outstanding shares of preferred stock had been paid or set apart for payment and provision had been made for any mandatory sinking fund payments.

The Company's Board of Directors approved four separate authorizations (September 2011, March 2014, October 2014 and March 2015) to repurchase up to 7,000,000 shares each of the Company’s outstanding common stock. During the year ended August 31, 2020, the Company repurchased 1,343,662 shares for $27.5 million. At August 31, 2020, cumulative shares repurchased under these authorizations totaled 22,799,230, leaving 5,200,770 shares authorized for future buy backs.

Earnings Per Share

The following table sets forth the computation of basic and diluted loss per share (in thousands, except per share amounts):

	Year Ended August 31,		
	2020	**2019**	**2018**
Numerator:			
Net earnings from continuing operations	$ 5,557	$ 8,067	$ 4,746
Net loss from discontinued operations	(4,834)	(257,212)	(26,394)
Net earnings (loss)	723	(249,145)	(21,648)
Denominator:			
Weighted average common shares outstanding - basic	59,952	61,151	60,441
Net effect of dilutive securities - stock based compensation plans	317	456	587
Weighted average common shares outstanding - diluted	60,269	61,607	61,028
Earnings per common share from continuing operations:			
Basic	$ 0.09	$ 0.13	$ 0.08
Diluted	$ 0.09	$ 0.13	$ 0.08
Loss per common share from discontinued operations:			
Basic	$ (0.08)	$ (4.21)	$ (0.44)
Diluted	$ (0.08)	$ (4.18)	$ (0.43)
Loss per common share:			
Basic	$ 0.01	$ (4.07)	$ (0.36)
Diluted	$ 0.01	$ (4.04)	$ (0.35)
Anti-dilutive securities- stock based compensation plans (excluding from earnings per share calculation)	1,532	1,239	1,477

Note 14. Stock Plans

Share based awards may be granted to key employees and directors under the Enerpac Tool Group Corp. 2017 Omnibus Incentive Plan (the “Plan”). At August 31, 2020, 4,325,000 shares of Class A common stock were authorized for issuance under the Plan plus an additional1,800,000 shares being registered to cover shares, if any, that become issuable, pursuant to the terms of the Plan, upon the expiration, cancellation or forfeiture of existing awards under our previously registered stock plans. At August 31, 2020, 2,362,855 shares were available for future award grants. The Plan permits the Company to grant share-based awards, including stock options, restricted stock, restricted stock units and performance shares (the "Performance Shares") to employees and directors. Options generally have a maximum term of ten years, an exercise price equal to 100% of the fair market value of the Company’s common stock at the date of grant and generally vest 50% after three years and 100% after five years. The Company’s restricted stock grants prior to 2017 generally have similar vesting provisions as options while grants thereafter generally vest in equal installments over a three-year period. The Performance Shares include a three-year performance period, with vesting based 50% on achievement of an absolute free cash flow conversion target and 50% on the Company’s total shareholder return ("TSR") relative to the S&P 600 SmallCap Industrial index. The provisions of share-based awards may vary by individual grant with respect to vesting period, dividend and voting rights, performance conditions and forfeitures.

A summary of restricted stock units and performance shares activity during fiscal 2020 is as follows:

	Number of Shares	Weighted-Average Fair Value at Grant Date (Per Share)
Outstanding on August 31, 2019	1,280,826	$23.87
Granted	460,800	24.10
Forfeited	(85,750)	23.29
Vested	(669,755)	23.77
Outstanding on August 31, 2020	986,121	$24.10

A summary of stock option activity during fiscal 2020 is as follows:

	Shares	Weighted-Average Exercise Price (Per Share)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding on September 1, 2019	1,606,543	$ 25.88		
Granted	—	—		
Exercised	(145,113)	19.77		
Forfeited	—	—		
Expired	(6,389)	35.68		
Outstanding on August 31, 2020	1,455,041	$ 26.45	3.5	*
Exercisable on August 31, 2020	1,323,188	$ 26.55	3.3	*

*At August 31, 2020, all outstanding options had a strike price that was higher than the value of the Company's stock, therefore the aggregate intrinsic value was $ 0.

Intrinsic value is the difference between the market value of the stock at August 31, 2020 and the exercise price which is aggregated for all options outstanding and exercisable. A summary of the total intrinsic value of options exercised and cash receipts from options exercised is summarized below (in thousands, except per share amounts)

	Year Ended August 31,		
	2020	2019	2018
Intrinsic value of options exercised	$ 803	$ 429	5,284
Cash receipts from exercise of options	2,631	1,404	15,140

The Company generally records compensation expense over the vesting period for restricted stock unit awards based on the market value of the Company's Class A common stock on the grant date and utilized an expected forfeiture rate of 8% for the year ended August 31, 2020 and 10% for both years ended August 31, 2019 and 2018. The fair value of Performance Shares with market vesting conditions is determined utilizing a Monte Carlo simulation model. Stock based compensation expense is determined using a binomial pricing model for options, however there were no options granted in fiscal 2020, 2019 or 2018.

As of August 31, 2020, there was $13.6 million of total unrecognized compensation cost related to share-based awards, including stock options, restricted stock, restricted stock units and performance shares, which will be recognized over a weighted average period of 1.8 years. The total fair value of share-based awards that vested during the fiscal years ended August 31, 2020 and 2019 was $18.2 million and $11.9 million, respectively.

Note 15. Business Segment, Geographic and Customer Information

The Company is a global manufacturer of a broad range of industrial products and solutions. The IT&S reportable segment is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools and in providing services and tool rental to the industrial, maintenance, infrastructure, oil & gas, energy and other markets. The Other segment is included for purposes of reconciliation of the respective balances below to the consolidated financial statements.

The following tables summarize financial information by reportable segment and product line (in thousands):

	Year Ended August 31,		
	2020	2019	2018
Net Sales by Reportable Segment & Product Line			
Industrial Tools & Services Segment			
Product	$ 341,470	$ 433,703	$ 439,405
Service & Rental	113,393	175,812	151,680
	454,863	609,515	591,085
Other Operating Segment	38,429	45,243	50,218
	$ 493,292	$ 654,758	$ 641,303
Operating Profit (Loss)			
Industrial Tools & Services	$ 65,549	$ 101,411	$ 99,432
Other Operating Segment	(3,420)	(11,821)	(5,690)
General Corporate	(37,948)	(42,076)	(43,536)
	$ 24,181	$ 47,516	$ 50,206
Depreciation and Amortization:			
Industrial Tools & Services	$ 14,854	$ 14,762	$ 15,301
Other Operating Segment	3,620	3,408	3,122
General Corporate	2,246	2,047	1,982
	$ 20,720	$ 20,217	$ 20,405
Capital Expenditures:			
Industrial Tools & Services	$ 7,282	$ 9,945	$ 7,799
Other Operating Segment	2,625	3,917	1,295
General Corporate	2,146	1,061	1,927
	$ 12,053	$ 14,923	$ 11,021

	August 31,	
	2020	2019
Assets:*		
Industrial Tools & Services	$ 592,086	$ 553,615
Other Operating Segment	61,105	54,484
General Corporate	171,103	230,597
	$ 824,294	$ 838,696

*Excludes "Assets from discontinued operations" as of August 31, 2019.

In addition to the impact of changes in foreign currency exchange rates, the comparability of segment and product line information is impacted by acquisition/divestiture activities, impairment and divestiture charges, restructuring costs and related benefits. Corporate assets, which are not allocated, principally represent cash and cash equivalents, property, plant, and equipment, ROU assets (year ended August 31, 2020), capitalized debt issuance costs and deferred income taxes.

The following tables summarize net sales and property, plant and equipment by geographic regior (in thousands):

	Year Ended August 31,		
	2020	2019	2018
Net Sales:			
United States	$ 185,279	$ 249,644	$ 236,036
Germany	24,401	26,445	30,643
United Kingdom	24,033	30,127	35,388
Saudi Arabia	19,787	21,625	20,749
Australia	19,332	25,749	30,796
Brazil	16,413	18,779	17,900
Canada	15,924	18,686	20,172
China	15,058	18,548	19,239
All other	173,065	245,155	230,380
	$ 493,292	$ 654,758	$ 641,303

	August 31,	
	2020	2019
Property, Plant and Equipment, net:		
United States	$ 21,410	$ 21,047
China	12,248	12,179
United Kingdom	9,654	2,983
UAE	7,525	8,734
Netherlands	2,546	2,720
Kazakhstan	2,052	2,635
Brazil	1,784	2,851
Spain	1,705	1,244
All other	2,481	2,336
	$ 61,405	$ 56,729

The Company’s largest customer accounted for approximately 3.0% of sales in each of the last three fiscal years. Export sales from domestic operatins were 7.3%, 7.4% and 7.9% of total net sales from continuing operations in fiscal 2020, 2019 and 2018, respectively.

Note 16. Commitments and Contingencies

The Company had outstanding letters of credit of $11.9 million and $18.2 million at August 31, 2020 and 2019, respectively, the majority of which relate to commercial contracts and self-insured workers' compensation programs.

As part of the Company's global sourcing strategy, we have entered into agreements with certain suppliers that require the supplier to maintain minimum levels of inventory to support certain products for which we require a short lead time to fulfill customer orders. We have the ability to notify the supplier that they no longer need maintain the minimum level of inventory should we discontinue manufacture of a product during the contract period, however, we must purchase the remaining minimum inventory levels the supplier was required to maintain within a defined period of time.

The Company is a party to various legal proceedings that have arisen in the normal course of business. These legal proceedings typically include product liability, breaches of contract, employment, personal injury and other disputes. The Company has recorded reserves for loss contingencies based on the specific circumstances of each case. Such reserves are recorded when it is probable a loss has been incurred and can be reasonably estimated. The Company maintains a policy to exclude from such reserves an estimate of legal defense costs. In the opinion of management, resolution of these contingencies is not expected to have a material adverse effect on the Company’s financial position, results of operations or cash flows.

The Company remains contingently liable for lease payments under leases of businesses that it previously divested or spun-off in the event that such businesses are unable to fulfill their future lease payment obligations, however, the Company does not believe it is probable that it will be required to satisfy these obligations. Future minimum lease payments for these leases at August 31, 2020 was $6.9 million associated with monthly payments extending to fiscal 2025.

The Company has facilities in numerous geographic locations that are subject to environmental laws and regulations. Environmental expenditures over the past three years have not been material. Soil and groundwater contamination has been identified at certain facilities that we operate or formerly owned or operated. We are also a party to certain state and local environmental matters, have provided environmental indemnifications for certain divested businesses and retain responsibility for certain potential environmental liabilities. Management believes that such costs will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Additionally, the Company self-disclosed in fiscal 2019 the sales to an Estonian customer to relevant authorities in the Netherlands as potentially violating applicable sanctions laws in that country and the European Union. The investigation by authorities in the Netherlands is ongoing and also may result in penalties. At this time, the Company cannot predict when the investigation will be completed or reasonably estimate what penalties, if any, will be assessed. While there can be no assurance of the ultimate outcome of the Netherlands investigation, the Company currently believes that there will be no material adverse effect on the Company's financial position, results of operations or cash flows.

Note 17. Quarterly Financial Data (Unaudited)

Quarterly financial data for fiscal 2020 and fiscal 2019 is as follows:

	Year to date August 31, 2020				
	First	Second	Third	Fourth	Total
Net sales	$ 146,674	$ 133,386	$ 101,879	$ 111,353	$ 493,292
Gross profit	68,688	62,093	41,947	44,465	217,193
Net earnings (loss) from continuing operations	6,372	3,918	(4,930)	197	5,557
Net earnings (loss) per share from continuing operations:					
Basic	$ 0.11	$ 0.07	$ (0.08)	$ 0.00	$ 0.09
Diluted	$ 0.11	$ 0.06	$ (0.08)	$ 0.00	$ 0.09

	Year to date August 31, 2019				
	First	Second	Third	Fourth	Total
Net sales	$ 158,551	$ 159,788	$ 178,095	$ 158,324	$ 654,758
Gross profit	70,312	71,316	81,954	69,070	292,652
Net (loss) earnings from continuing operations	(16,423)	765	26,858	(3,133)	8,067
Net (loss) earnings per share from continuing operations:					
Basic	$ (0.27)	$ 0.01	$ 0.44	$ (0.05)	$ 0.13
Diluted	$ (0.27)	$ 0.01	$ 0.43	$ (0.05)	$ 0.13

The total of the individual quarters may not equal the annual or year-to-date total due to rounding.

During the year ended August 31, 2020, the Company recognized an impairment and divestiture benefit of $3.2 million of which $1.4 million was recorded in the first quarter, $0.8 million in the second quarter, $1.4 million in the third quarter and a charge of $0.4 million in the fourth quarter (see Note 5, "Discontinued Operations and Other Divestiture Activities").

During the year ended August 31, 2019, the Company recognized impairment and divestiture charges of $22.8 million of which $23.5 million was recorded in the first quarter, $6.1 million in the second quarter, a benefit of $13.0 million in the third quarter and a charge of $6.2 million in the fourth quarter (see Note 5, "Discontinued Operations and Other Divestiture Activities").

ENERPAC TOOL GROUP CORP.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

		Additions		Deductions		
	Balance at Beginning of Period	Charged to Costs and Expenses (Income)	Acquisition/ (Divestiture)	Accounts Written Off Less Recoveries	Other	Balance at End of Period
Allowance for losses—Trade accounts receivable						
August 31, 2020	$ 5,141	$ 682	$ (1)	$ (726)	$ (105)	$ 4,991
August 31, 2019	4,958	1,114	—	(833)	(98)	5,141
August 31, 2018	10,488	(1,732)	76	(3,571)	(303)	4,958
Valuation allowance—Income taxes						
August 31, 2020	$ 73,255	$ 9,383	$ —	$ (12,337)	$ 113	$ 70,414
August 31, 2019	32,426	43,693	—	(2,864)	—	73,255
August 31, 2018	16,758	27,504	—	(11,836)	—	32,426

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("the Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing, and reporting, and reporting, within the time periods specified in the SEC's rules and forms, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management has excluded HTL Group from its assessment of internal control over financial reporting as of August 31, 2020 because it was acquired by the Company in a business purchase combination during fiscal 2020. Total assets and total revenues from the acquired HTL Group business represent approximately 2% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended August 31, 2020. Based on this evaluation, excluding HTL Group, the Company's management has concluded that, as of August 31, 2020, the Company's internal control over financial reporting was effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the Company's internal control over financial reporting as of August 31, 2020, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of fiscal 2020 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors; Executive Officers and Corporate Governance

Information about the Company's directors is incorporated by reference from the "Election of Directors" section of the Company's Proxy Statement for its Annual Meeting of Shareholders to be held on January 19, 2021 (the "2021 Annual Meeting Proxy Statement"). Information about compliance with Section 16(a) of the Exchange Act is incorporated by reference from the "Other Information—Delinquent Section 16(a) Reports" section in the Company's 2021 Annual Meeting Proxy Statement. Information about the Company's Audit Committee, including the members of the committee, and the Company's Audit Committee financial experts, is incorporated by reference from the "Election of Directors" and "Corporate Governance Matters" sections of the Company's 2021 Annual Meeting Proxy Statement. Information about the Company's executive officers required by this item is contained in the discussion entitled "Executive Officers of the Registrant" in Part I hereof.

The Company has adopted a code of ethics that applies to its senior executive team, including its Chief Executive Officer, Chief Financial Officer and Corporate Controller. The code of ethics is posted on the Company's website and is available free of charge at www.enerpactoolgroup.com. The Company intends to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of its code of ethics that apply to the Chief Executive Officer, Chief Financial Officer or Corporate Controller by posting such information on the Company's website.

Item 11. Executive Compensation

The information required by this item is incorporated by reference from the "Election of Directors," "Corporate Governance Matters," "Executive Compensation" and "Non-Employee Director Compensation" sections (other than the subsection thereof entitled "Report of the Audit Committee") of the 2021 Annual Meeting Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference from the "Certain Beneficial Owners" and "Executive Compensation—Equity Compensation Plan Information" sections of the 2021 Annual Meeting Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference from the "Certain Relationships and Related Party Transactions" section of the 2021 Annual Meeting Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference from the "Other Information—Independent Public Accountants" section of the 2021 Annual Meeting Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report:

1. *Consolidated Financial Statements*

   See “Index to Consolidated Financial Statements” set forth in Item 8, “Financial Statements and Supplementary Data” for a list of financial statements filed as part of this report.

2. *Financial Statement Schedules*

   See “Index to Financial Statement Schedule” set forth in Item 8, “Financial Statements and Supplementary Data.”

3. *Exhibits*

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
2.1	Securities Purchase Agreement, dated as of July 8, 2019, by and between Actuant Corporation, BRWS Parent LLC, Actuant France SAS and Actuant Holdings AB.	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on July 9, 2019		
3.1	(a) Amended and Restated Articles of Incorporation	Exhibit 4.9 to the Registrant's Form 10-Q for the quarter ended February 28, 2001		
	(b) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1(b) of the Registrant's Form 10-K for the fiscal year ended August 31, 2003		
	(c) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 10-K for the fiscal year ended August 31, 2004		
	(d) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 8-K filed on July 18, 2006		
	(e) Amendment of Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 8-K filed on January 14, 2010		
	(f) Amendment of Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 8-K/A filed on January 30, 2020		
3.2	Amended and Restated Bylaws, as amended	Exhibit 3.2 of the Registrant's Form 8-K filed on July 31, 2020		
4.1	Description of Registered Securities		X	

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
10.1	Senior Credit Facility Agreement, dated March 29, 2019, between Actuant Corporation, the foreign subsidiary borrowers party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, National Association, Bank of America, N.A., SunTrustBank, and PNC Bank, National Association, as Co-Syndication Agents and BMO Harris Bank, N.A., as Documentation Agent.	Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on April 2, 2019		
10.2*	Outside Directors' Deferred Compensation Plan (conformed through the second amendment)	Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended November 30, 2014		
10.3*	Deferred Compensation Plan (conformed through the fourth amendment)	Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended November 30, 2014		
10.4*	Non-Qualified Deferred Compensation Plan (conformed through the first amendment)		X	
10.5*	2010 Employee Stock Purchase Plan	Exhibit B to the Registrant's Definitive Proxy Statement, dated December 4, 2009		
10.6*	(a) 2017 Omnibus Incentive Plan	Exhibit A to the Registrant's Definitive Proxy Statement dated December 5, 2016		
	(b) First Amendment to the 2017 Omnibus Incentive Plan	Exhibit A to the Registrant's Definitive Proxy Statement dated December 4, 2017		
10.7**	2009 Omnibus Incentive Plan, conformed through the Second Amendment thereto	Exhibit 99.1 to the Registrant's Form 8-K filed on January 17, 2013		
10.8*	(a) Amended and Restated 2001 Outside Directors' Stock Plan	Exhibit A to the Registrant's Definitive Proxy Statement, dated December 5, 2005		
	(b) First Amendment to the Amended and Restated 2001 Outside Directors' Stock Plan dated December 25, 2008	Exhibit 10.10 to the Registrant's Form 10-Q for the quarter ended November 30, 2008		
10.9*	Supplemental Executive Retirement Plan (conformed through the first amendment)	Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended November 30, 2014		
10.10*	Senior Officer Severance Plan	Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 31, 2019		

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
10.11*	Form of Indemnification Agreement for Directors and Officers	Exhibit 10.1 to the Registrant's Form 8-K filed on August 2, 2018		
10.12*	Form of Amended and Restated Change in Control Agreement	Exhibit 10.1 to the Registrant’s Form 8-K filed on August 1, 2017		
10.13*	Executive Officer Bonus Plan	Exhibit B to the Registrant's Definitive Proxy Statement dated December 3, 2012		
10.14*	(a) Form of NQSO Award (Director) under the 2009 Omnibus Incentive Plan*	Exhibit 10.1(a) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
	(b) Form of NQSO Award (Officer) under the 2009 Omnibus Incentive Plan*	Exhibit 10.1(b) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
10.15*	(a) Form RSA Award (Director) under the 2009 Omnibus Incentive Plan*	Exhibit 10.2(a) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
	(b) Form of RSA Award (Officer) under the 2009 Omnibus Incentive Plan*	Exhibit 10.2(b) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
10.16*	(a) Form of RSU Award (Director) under the 2009 Omnibus Incentive Plan*	Exhibit 10.3(a) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
	(b) Form of RSU Award (Officer) under the 2009 Omnibus Incentive Plan*	Exhibit 10.3(b) to the Registrant's Form 10-Q for the quarter ended February 28, 2014		
10.17*	(a) Form RSA Award (Director) under the 2017 Omnibus Incentive Plan	Exhibit 10.14 to the Registrant's Form 10-K for the fiscal year ended August 31, 2018		
10.18*	(a) Form of RSU Award (Director) under the 2017 Omnibus Incentive Plan*	Exhibit 10.15(a) to the Registrant's Form 10-K for the fiscal year ended August 31, 2018		
	(b) Form of RSU Award (Officer) under the 2017 Omnibus Incentive Plan*	Exhibit 10.15(b) to the Registrant's Form 10-K for the fiscal year ended August 31, 2018		
10.19*	(a) Form of PSU Award - Total Shareholder Return (Officer) under the 2017 Omnibus Incentive Plan*	Exhibit 10.16(a) to the Registrant's Form 10-K for the fiscal year ended August 31, 2018		
	(b) Form of PSU Award - Free Cash Flow (Officer) under the 2017 Omnibus Incentive Plan*	Exhibit 10.16(b) to the Registrant's Form 10-K for the fiscal year ended August 31, 2018		

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
10.20*	Offer letter dated February 24, 2016 between Actuant Corporation and Randal W. Baker	Exhibit 10.1 to the Registrant's Form 8-K filed on March 1, 2016		
10.21*	Offer Letter by and between Actuant Corporation and Rick T. Dillon	Exhibit 10.1 to Registrant's Form 8-K filed on November 18, 2016		
10.22*	Offer letter by and between Actuant Corporation and John Jeffery Schmaling dated January 18, 2018	Exhibit 10.3 of the Registrant's Form 10-Q for the quarter ended February 28, 2018.		
10.23*	Offer letter by and between Actuant Corporation and Fabrizio R. Rasetti dated April 12, 2018	Exhibit 10.1 of the Registrant's Form 10-Q for the quarter ended May 31, 2018.		
10.24*	Retention Incentives Agreement, dated as of April 11, 2019, between Actuant Corporation and Roger A. Roundhouse	Exhibit 10.2 of the Registrant's Form 10-Q for the quarter ended May 31, 2019		
14	Code of Ethics Applicable to Senior Financial Executives	Exhibit 14 of the Registrant's Form 10-K for the fiscal year ended August 31, 2017		
21	Subsidiaries of the Registrant		X	
23	Consent of PricewaterhouseCoopers LLP		X	
24	Power of Attorney		See signature page of this report	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
101	The following materials from the Enerpac Tool Group Corp. Form 10-K for the year ended August 31, 2020 formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income (Loss), (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.		X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in the Interactive Data Files submitted as Exhibit 101)		X	

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERPAC TOOL GROUP CORP.
(Registrant)

By: /S/ RICK T. DILLON

Rick T. Dillon
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: October 26, 2020

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Randal W. Baker and Rick T. Dillon, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.*

Signature	Title
/s/ RANDAL W. BAKER Randal W. Baker	President and Chief Executive Officer, Director
/s/ ALFREDO ALTAVILLA Alfredo Altavilla	Director
/s/ JUDY ALTMAIER Judy Altmaier	Director
/s/ J. PALMER CLARKSON J. Palmer Clarkson	Director
/s/ DANNY L. CUNNINGHAM Danny L. Cunningham	Director
/s/ E. JAMES FERLAND E. James Ferland	Chairman of the Board of Directors
/s/ RICHARD D. HOLDER Richard D. Holder	Director
/s/ SIDNEY S. SIMMONS Sidney S. Simmons	Director
/s/ RICK T. DILLON Rick T. Dillon	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ BRYAN R. JOHNSON Bryan R. Johnson	Vice President of Finance and Principal Accounting Officer

* Each of the above signatures is affixed as of October 26, 2020.

Exhibit 4.1

Description of Registered Securities

Enerpac Tool Group Corp. (the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which is its Class A Common Stock, $.20 par value ("Class A Common"). Shares of the Class A Common are listed for trading on the New York Stock Exchange (the "NYSE") under the symbol "EPAC".

The following is a summary of selected provisions of the Company's Restated Articles of Incorporation, as amended (the "Articles"), its Amended and Restated Bylaws, as amended (the "Bylaws"), and of the Wisconsin Business Corporation Law (the "WBCL"). This summary is not complete and is subject to, and qualified in its entirety by reference to, the Articles and the Bylaws, which have been filed as exhibits to the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, and the WBCL.

The authorized capital stock of the Company as of August 31, 2020 consisted of 168,000,000 shares of Class A Common of which 59,794,715 shares were issued and outstanding and 22,799,230 were held as treasury shares; 1,500,000 shares of Class B Common Stock, $.20 par value ("Class B Common"), none of which were issued and outstanding; and 160,000 shares of Cumulative Preferred Stock, $1.00 par value ("Preferred Stock"), none of which have been issued. Class A Common and Class B Common are collectively referred to herein as "Common Stock." Although no shares of Preferred Stock or Class B Common are outstanding, and all previously outstanding shares of Class B Common were converted into shares of Class A Common many years ago, the Company's Board of Directors is authorized to issue shares of Preferred Stock or Class B Common without any action on the part of the Company's shareholders, except to the extent that shareholder approval is required under the applicable rules of the NYSE. Accordingly, this summary includes a discussion of the Preferred Stock and Class B Common because the rights of holders of shares of Class A Common would be affected if shares of Preferred Stock and Class B Common were to be issued.

Preferred Stock

The Preferred Stock may be issued in one or more series providing for such designations, preferences, relative rights, dividend rates, voting, liquidation, redemption, and conversion rights, and such other terms and conditions as the Company's Board of Directors may determine and which shall be stated in the resolution providing for the designation and issue of such series, subject to the limitations described below, without further approval by holders of Common Stock. If any shares of Class B Common were outstanding, any voting rights conferred on holders of Preferred Stock would be limited, with respect to the election of directors, to the power to vote together with holders of Class A Common in electing a "maximum minority" of the Board of Directors, as described under "-Common Stock" below.

If the Company issues any shares of Preferred Stock, the Company would be permitted to pay dividends or make other distributions upon the Common Stock (except for distributions payable in shares of Common Stock) only after paying or setting apart funds for payment of current dividends and any accrued but unpaid dividends upon the outstanding shares of Preferred Stock, at the rate or rates designated for each series of outstanding Preferred Stock. Dividends on the Preferred Stock are cumulative, so that if at any time the full amount of all dividends accrued on the Preferred Stock is not paid, the deficiency must be paid before any dividends or other distributions are paid or set apart on the Common Stock, other than dividends or distributions paid in Common Stock.

In the event of voluntary or involuntary liquidation of the Company, the holders of any outstanding Preferred Stock would be entitled to receive all accrued dividends on the Preferred Stock and the liquidation amount specified for each series of Preferred Stock before any amount may be distributed to holders of the Common Stock. Under the Articles, each series of preferred stock will, with respect to dividend rights and rights on liquidation, rank prior in right of payment to the Common Stock and on a parity in right of payment with each other series of Preferred Stock.

Under the Articles, all shares of Preferred Stock shall be identical except as to the following relative rights and preferences, as to which the Company's Board of Directors may establish variations between different series not inconsistent with other provisions in the Articles: (i) the dividend rate, (ii) the price at and terms and conditions on which shares may be redeemed, (iii) the amount payable upon shares in the event of voluntary or involuntary liquidation, (iv) sinking fund provisions for the redemption or purchase of shares, (v) the terms and conditions on which shares may be converted into Common Stock, if the shares of any series are issued with the privilege of conversion and (vi) voting rights, if any, subject to the provisions regarding voting rights summarized herein.

Common Stock

The rights and preferences of shares of Class A Common and Class B Common are identical, except as to voting power with respect to the election of directors and conversion rights.

On all matters other than the election of directors, the holders of Class A Common and Class B Common possess equal voting power of one vote per share, voting as a single class of stock, unless otherwise required by the WBCL. In the election of the Company's Board of Directors, the holders of Class A Common, voting together as a single class with the holders of any Preferred Stock which has voting power, are entitled to elect a "maximum minority" of the number of directors to be elected. As a result of the "maximum minority" provision, the holders of the Class B Common, voting as a separate class, are entitled to elect the balance of the directors, constituting a "minimum majority" of the number of directors to be elected. If an even number of directors is to be elected, the holders of Class B Common will be entitled to elect two more directors than the holders of Class A Common and any Preferred Stock having voting power; if the number of directors to be elected is an odd number, the holders of Class B Common will be entitled to elect one more director than the holders of Class A Common and any Preferred Stock having voting power. In the event there are no shares of Class B Common outstanding, holders of Class A Common, together with holders of any Preferred Stock having voting power, shall elect all of the directors to be elected. A director, once elected and duly qualified, may be removed only by the requisite affirmative vote of the holders of that class of stock by which such director was elected.

Holders of shares of Class A common stock and Class B common stock are ratably entitled to such dividends as the Company's Board of Directors may declare out of funds legally available therefore, except as described below in the case of stock dividends. If the Company were to issue any shares of Preferred Stock, no dividends could be paid or set apart for payment on shares of Common Stock, unless paid in Common Stock, until full cumulative dividends accrued on all of the issued and outstanding shares of Preferred Stock had been paid or set apart for payment. Stock dividends on shares of Class A Common may be paid only in shares of Class A Common and stock dividends on shares of Class B Common may be paid only in shares of Class B Common.

In the event that the Company issues any shares of Class B Common, any holder of shares of Class B Common may convert any or all of those shares into Class A Common on a share-for-share basis. If the Company issues any shares of Class B Common and the number of outstanding shares of Class B Common is reduced to less than 500,000 shares, adjusted to reflect any stock splits, stock dividends or similar transactions, all of the outstanding shares of Class B Common would be automatically converted into shares of Class A Common on a share-for-share basis. Holders of shares of Class A Common do not have any conversion rights.

In the event of the Company's dissolution or liquidation, the holders of shares of Class A Common and of shares of Class B Common would be entitled to share ratably in all of assets remaining after payment of the Company's liabilities and satisfaction of the rights of any series of Preferred Stock that may be outstanding. There are no redemption or sinking fund provisions with respect to the Common Stock.

Under the WBCL, when the Company receives the consideration for which its Board of Directors authorized the issuance of shares, the shares issued for that consideration are fully paid and nonassessable. Former Section 180.0622(2)(b) of the WBCL imposed personal liability on shareholders of Wisconsin corporations for debts owed to employees for services performed, but not exceeding six months service in any one case. Pursuant to 2005 Wisconsin Act 474, Section 180.0622(2)(b) of the WBCL was repealed effective June 14, 2006 and is not applicable to obligations incurred by the Company on or after such date.

General

The Articles provide that the affirmative vote of two-thirds of all shares entitled to vote thereon (and/or of each class which shall be entitled to vote thereon as a class) is required in order to constitute shareholder approval or adoption of a merger, consolidation, or liquidation of the Company, sale, lease, exchange or other disposition of all or substantially all of its assets, amendment of the Articles or the Bylaws, or removal of a director.

The Company's directors are currently elected to serve one-year terms. As permitted by the WBCL, the Articles provide that the Bylaws (which may be amended by the Company's Board of Directors or by the shareholders) may provide for the division of the Company's Board of Directors into two or three classes of directors and for the terms and manner of election not inconsistent with the applicable provisions of the WBCL. If the Bylaws were amended to so classify the Board of Directors and any shares of Class B Common were outstanding, each class of directors will contain as nearly as possible an equal number of directors elected by the holders of shares of Class A Common and any outstanding Preferred Stock, voting as a single class, and will also contain as nearly as possible an equal number of directors elected by holders of Class B Common, subject to the right of the holders of the shares of Class B Common to elect the minimum majority of the Board of Directors as described above.

Holders of capital stock of the Company do not have preemptive or other subscription rights to purchase or subscribe for unissued stock or other securities of the Company.

Certain statutory provisions

Wisconsin law, under which the Company is incorporated, contains certain provisions that may be important when considering the rights of holders of shares of Class A Common. The description set forth below is intended as a summary only. For complete information, please review the applicable provisions of the WBCL.

These provisions of the WBCL, the ability to issue additional shares of Common Stock and Preferred Stock without further shareholder approval (except as required under applicable rules of the NYSE), and certain other provisions of the Articles and Bylaws (discussed above) could have the effect, among others, of discouraging take-over proposals for the Company, delaying or preventing a change in control, or impeding a business combination between the Company and any of its major shareholders.

Business combination statute

Sections 180.1140 to 180.1144 of the WBCL regulate a broad range of business combinations between a resident domestic corporation and an "interested stockholder." A "business combination" is defined to include any of the following transactions:

- a merger or share exchange,
- a sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets equal to 5% or more of the aggregate market value of the stock or assets of the corporation or 10% of its earning power or income,
- the issuance or transfer of stock or rights to purchase stock with a market value equal to 5% or more of the outstanding stock,
- the adoption of a plan of liquidation or dissolution,
- any reclassification of securities or recapitalization of the resident domestic corporation, or any other transaction, if the effect is to increase the proportionate share of its securities owned by the interested stockholder, and
- receipt by an interested stockholder of the benefit of a loan, advance, guarantee, pledge or other financial assistance provided by or through the corporation or its subsidiary, unless the benefit is received proportionately by all shareholders.

A "resident domestic corporation" is defined to mean a Wisconsin corporation that has a class of voting stock that is registered or traded on a national securities exchange or that is registered under Section 12(g) of the Exchange Act and that, as of the relevant date, satisfies any of the following: (i) its principal offices are located in Wisconsin, (ii) it has significant business operations located in Wisconsin, (iii) more than 10% of the holders of record of its shares are residents of Wisconsin or (iv) more than 10% of its shares are held of record by residents of Wisconsin. As of August 31, 2019, the Company would be a resident domestic corporation for purposes of these statutory provisions.

An "interested stockholder" is defined to mean a person who beneficially owns, directly or indirectly, at least 10% of the voting power of the outstanding voting stock of a corporation or who is an affiliate or associate of the corporation and beneficially owned at least 10% of the voting power of the then outstanding voting stock within the prior three years.

Under this law, the Company cannot engage in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the Company's Board of Directors approved the business combination or the acquisition of the stock that resulted in the person becoming an interested stockholder before the acquisition. The Company may engage in a business combination with an interested stockholder after the expiration of the three-year period with respect to that interested stockholder only if one or more of the following conditions is satisfied: (i) the Company's Board of Directors approved the acquisition of the stock before the date on which the interested stockholder acquired the shares, (ii) the business combination is approved by a majority of the Company's outstanding voting stock not beneficially owned by the interested stockholder or (iii) the consideration to be received by the Company's shareholders meets certain fair price requirements of the statute with respect to form and amount.

Fair price statute

The WBCL also provides, in Sections 180.1130 to 180.1133, that certain mergers, share exchanges or sales, leases, exchanges or other dispositions of assets in a transaction involving a "significant shareholder" and a resident domestic corporation, such as the Company, require a supermajority vote of shareholders in addition to any approval otherwise required, unless shareholders receive a fair price for their shares that satisfies a statutory formula. A "significant shareholder" for this

purpose is defined as a person or group who beneficially owns, directly or indirectly, 10% or more of the voting stock of the Company, or is an affiliate of the Company and beneficially owned, directly or indirectly, 10% or more of the voting stock of the Company within the prior two years. Any business combination to which the statute applies must be approved by 80% of the voting power of the Company's stock and at least two-thirds of the voting power of the Company's stock not beneficially held by the significant shareholder who is party to the relevant transaction or any of its affiliates or associates, in each case voting together as a single group, unless:

(a) the aggregate value of the per share consideration is equal to the highest of:

- the highest per share price paid for any shares of Common Stock of the Company by the significant shareholder in the transaction in which it became a significant shareholder or within two years before the date of the business combination,
- the market value per share of the Company's shares on the date of commencement of any tender offer by the significant shareholder, the date on which the person became a significant shareholder or the date of the first public announcement of the proposed business combination, whichever is highest, or
- the highest preferential amount per share in a liquidation or dissolution to which holders of the shares would be entitled, and

(b) the significant shareholder offers either cash or the same form of consideration used by the significant shareholder to acquire the largest number of shares it acquired.

Section 180.1132(2)(c) of the WBCL permits a corporation to elect to not be governed by Sections 180.1130 to 180.1134 (Section 180.1134 is described below) upon the amendment to its articles of incorporation to so provide if such amendment is approved by specified supermajority votes of the shareholders. The Articles include no such provision.

Defensive action restrictions

Section 180.1134 of the WBCL provides that, in addition to the vote otherwise required by law or the articles of incorporation of a resident domestic corporation, the approval of the holders of a majority of the shares entitled to vote on the proposal is required before the corporation can take certain action while a takeover offer is being made or after a takeover offer has been publicly announced and before it is concluded. This statute requires shareholder approval for the corporation to do either of the following: (i) acquire more than 5% of its outstanding voting shares at a price above the market price from any individual or organization that owns more than 3% of the outstanding voting shares and has held such shares for less than two years, unless a similar offer is made to acquire all voting shares and all securities which may be converted into voting shares or (ii) sell or option assets of the corporation which amount to 10% or more of the market value of the corporation, unless the corporation has at least three directors who are not officers or employees and a majority of the directors who are not officers or employees vote not to have this provision apply to the corporation.

Control share voting restrictions

Under Section 180.1150 of the WBCL, unless otherwise provided in the articles of incorporation or otherwise specified by the corporation's board of directors, the voting power of shares of a resident domestic corporation held by any person, or group of persons acting together, including shares issuable upon conversion of convertible securities or upon exercise of options or warrants, in excess of 20% of the voting power in the election of directors is limited (in voting on any matter) to 10% of the full voting power of those shares. This restriction does not apply to shares acquired directly from the resident domestic corporation, shares acquired before April 22, 1986, shares acquired in certain specified transactions, or shares acquired in a transaction in which the corporation's shareholders have approved restoration of the full voting power of the otherwise restricted shares. In addition, this restriction does not apply if the corporation's articles of incorporation include a provision that the restriction of this statute will not apply or its board of directors adopt a resolution specifying that the restriction does not apply. The Articles include no such provision.

Constituency or stakeholder provision

Under Section 180.0827 of the WBCL, in discharging his or her duties as a director or officer and in determining what he or she believes to be in our best interests, a director or officer may, in addition to considering the effects of any action on shareholders, consider the effects of the action on employees, suppliers, customers, the communities in which we operate and any other factors that the director or officer considers pertinent.

Exhibit 10.4

Enerpac Tool Group
NONQUALIFIED DEFERRED COMPENSATION PLAN
(Conformed through the First Amendment)
Effective Date
December 1, 2018
(as amended May 27, 2020)

Effective Date
December 1, 2018
(as amended May 27, 2020)

Exhibit 10.4

Enerpac Tool Group Nonqualified Deferred Compensation Plan

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Exhibit 10.4

Enerpac Tool Group Nonqualified Deferred Compensation Plan ARTICLE I

Establishment and Purpose

Enerpac Tool Group Corp. (formerly known as “Actuant Corporation”) (the “Company”) has adopted this Enerpac Tool Group Nonqualified Deferred Compensation Plan (prior to January 29, 2020, known as the “Actuant Corporation Nonqualified Deferred Compensation Plan”), applicable to Compensation deferred under Compensation Deferral Agreements submitted on and after the Effective Date and Company Contributions credited on or after the Effective Date.

This Plan constitutes a continuation of the Actuant Corporation Nonqualified Deferred Compensation Plan as amended through December 11, 2014 (the “Prior Plan”). Amounts deferred under the provisions of the Prior Plan continue to be paid in accordance with the terms of the Prior Plan and the deferral election agreements submitted under the Prior Plan. However, the provisions of Articles VII through XII of this Plan will be applied to the accounts maintained under the Prior Plan. No provision of this Plan will be construed to change the time and form of a payment to a participant with respect to amounts deferred under the Prior Plan.

The purpose of the Plan is to attract and retain key employees by providing them with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Participating Employer, as applicable. Each Participating Employer shall be solely responsible for payment of the benefits attributable to services performed for it. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA and independent contractors. Any amounts set aside to defray the liabilities assumed by the Company or an Participating Employer will remain the general assets of the Company or the Participating Employer and shall remain subject to the claims of the Company’s or the Participating Employer's creditors until such amounts are distributed to the Participants.

ARTICLE II

Definitions

2.1 Account. Account means a bookkeeping account maintained by the Committee to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Committee may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

2.3 Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

2.4 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant in accordance with Section 6.6 hereof to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan.

2.5 Board of Directors. Board of Directors means, for a Participating Employer organized as a corporation, its board of directors and for a Participating Employer organized as a limited liability company, its board of managers.

2.6 Business Day. Business Day means each day on which the New York Stock Exchange is open for business.

2.7 Change in Control. Change in Control means, with respect to a Participating Employer that is organized as a corporation, any of the following events: (i) a change in the ownership of the Participating Employer, (ii) a change in the effective control of the Participating Employer, or (iii) a change in the ownership of a substantial portion of the assets of the Participating Employer.

Change in Ownership. For purposes of this Section, a change in the ownership of the Participating Employer occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Participating Employer that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Participating Employer. The acquisition by a person or group owning more than 50% of the total fair market value or total voting power of the stock of such Participating Employer of additional shares of such Participating Employer shall not constitute a "change of the ownership" of such Participating Employer.

Change in Effective Control. A change in the effective control of the Participating Employer occurs on the date on which either: (i) a person, or more than one person acting as a group, acquires ownership of stock of the Participating Employer possessing 30% or more of the total voting power of the stock of the Participating Employer, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, provided that the acquisition by a person or group owning more than 30% of the total fair market value or total voting power of the stock of such Participating Employer of additional shares of such Participating Employer shall not constitute a "change of effective control" of such Participating Employer, or (ii) a majority of the members of the Participating Employer's Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors prior to the date of the

appointment or election, but only if no other corporation is a majority shareholder of the Participating Employer.

Change in Ownership of Substantial Portion of Assets. A change in the ownership of a substantial portion of assets occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Participating Employer, acquires assets from the Participating Employer that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Participating Employer immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition. A transfer of assets shall not be treated as a "change in the ownership of a substantial portion of the assets" when such transfer is made to an entity that is controlled by the shareholders of the transferor corporation as determined under Treas. Reg. section 1.409A-3(i)(5)(vii)(B).

An event constitutes a Change in Control with respect to a Participant only if the Participant performs services for the Participating Employer that has experienced the Change in Control, or the Participant's relationship to the affected Participating Employer otherwise satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(ii).

Notwithstanding anything to the contrary herein, with respect to a Participating Employer that is a partnership or limited liability company, Change in Control means only a change in the ownership of such entity or a change in the ownership of a substantial portion of the assets of such entity, and the provisions set forth above respecting such changes relative to a corporation shall be applied by analogy. Any reference to a "majority shareholder" shall be treated as referring to a partner or member that (a) owns more than 50% of the capital and profits interest of such entity, and (b) alone or together with others is vested with the continuing exclusive authority to make management decisions necessary to conduct the business for which the partnership or limited liability company was formed.

2.8 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XI of this Plan.

2.9 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

2.10 Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

2.11 Committee. Committee means the Company or a committee appointed by the Company to administer the Plan.

2.12 Company. Company means Enerpac Tool Group Corp. (formerly known as "Actuant Corporation").

2.13 Company Contribution. Company Contribution means a credit by a Participating Employer to a Participant's Company Contribution Account in accordance with the provisions of Article V of the Plan. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contribution.

2.14 Company Contribution Account. Company Contribution Account means an Account established by the Committee to record the Company Contributions allocated to the Participant by a Participating Employer as described in Article V.

2.15 Compensation. Compensation means a Participant's salary, bonus and restricted stock unit awards that may be deferred under Section 4.2 of this Plan, excluding any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A and excluding any compensation that is not U.S. source income.

2.16 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer in accordance with the provisions of Article IV, (ii) the allocation of Deferrals and deferred Stock Units to one or more Flex Accounts or Stock Accounts, respectively, in accordance with Section 4.3, and (iii) if the Compensation Deferral Agreement establishes a Flex Account or Stock Account, the Payment Schedule applicable to each such Account.

2.17 Deferral. Deferral means a credit to a Participant's Flex Account(s) that records that portion of the Participant's cash Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

2.18 Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VII.

2.19 Effective Date. Effective Date means December 1, 2018.

2.20 Eligible Employee. Eligible Employee means an Employee who is a member of a select group of management or highly compensated employees who has been notified during an applicable enrollment of his or her status as an Eligible Employee. The Committee has the discretion to determine which Employees are Eligible Employees for each enrollment.

2.21 Employee. Employee means a common-law employee of an Employer. 2.22 Employer. Employer means the

Company and each Affiliate.

2.23 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.24 Flex Account. Flex Account means a Separation Account or Specified Date Account established under a Participant's Compensation Deferral Agreement to record Deferrals allocated to such Account under the terms of such Compensation Deferral Agreement or a subsequent Compensation Deferral Agreement. Unless the Committee specifies otherwise, a Participant may maintain no more than six (6) Flex Accounts at any one time.

2.25 Participant. Participant means an individual described in Article III.

2.26 Participating Employer. Participating Employer means the Company and each Affiliate who has adopted the Plan with the consent of the Company. Each Participating Employer shall be identified on Schedule A attached hereto.

2.27 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made, as described in Article VI.

2.28 Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than 90 days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. Performance-Based Compensation shall not include any Compensation payable upon the Participant's death or disability (as defined in Treas. Section 1.409A-1(e)) without regard to the satisfaction of the performance criteria.

2.29 Plan. Plan means "Enerpac Tool Group Nonqualified Deferred Compensation Plan" (prior to January 29, 2020, known as the "Actuant Corporation Nonqualified deferred Compensation Plan") as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also means a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

2.30 Plan Year. Plan Year means January 1 through December 31.

2.31 Separation Account. Separation Account means a Flex Account established by the Committee pursuant to the terms of a Participant's Compensation Deferral Agreement that records the Deferrals that the Participant allocates to such Flex Account to be paid following the Participant's Separation from Service as described in Section 6.4.

2.32 Separation from Service. Separation from Service means an Employee's termination of employment with the Employer and all Affiliates.

Except in the case of an Employee on a bona fide leave of absence as provided below, an Employee is deemed to have incurred a Separation from Service if the Employer and the Employee reasonably anticipated that the level of services to be performed by the Employee after a date certain would be reduced to 20% or less of the average services rendered by the Employee during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Employee was on a bona fide leave of absence.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of: (i) the six month anniversary of the commencement of the leave, or (ii) the expiration of the Employee's right, if any, to reemployment under statute or contract.

If a Participant ceases to provide services as an Employee and begins providing services as an independent contractor for the Employer, a Separation from Service shall occur only if the parties anticipate that the level of services to be provided as an independent contractor are such that a Separation from Service would have occurred if the Employee had continued to provide services at that level as an Employee. If, in accordance with the preceding sentence, no Separation from Service occurs as of the date the individual's employment status changes, a Separation from Service shall occur thereafter only upon the 12-month anniversary of the date all contracts with the Employer have expired, provided the Participant does not perform services for the Employer during that time.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.22 of the Plan, except that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(b), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in those sections.

The Committee specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction.

2.33 Specified Date Account. Specified Date Account means a Flex Account established by the Committee pursuant to the terms of a Participant's Compensation Deferral Agreement that records the Deferrals that the Participant allocates to such Flex Account to be paid or commence payment in a designated month and year as described in Section 6.2. Each Specified Date Account shall also have a Payment Schedule described in Section 6.4 which will apply following the Participant's Separation from Service in the event that the

Participant's Separation from Service occurs prior to the payment commencement date under Section 6.2.

2.34 Stock Account. Stock Account means an Account established by the Committee pursuant to the terms of a Participant's Compensation Deferral Agreement that records the Deferrals that the Participant allocates to such Flex Account to be paid or commence payment in a designated month and year as described in Section 6.3. Unless the Committee specifies otherwise, a Participant may maintain no more than five (5) Stock Accounts at any one time.

2.35 Stock Unit. Stock Unit means a restricted stock unit awarded to a Participant under the terms of the Enerpac Tool Group Omnibus Stock Plan (formerly the "Actuant Corporation Omnibus Stock Plan") that a Participant elects to defer under the terms of a Compensation Deferral Agreement, and any dividend equivalents credited in the form of additional Stock Units under Section 7.6. Stock Units will be paid in shares of the Company's common stock as provided under the terms of the Enerpac Tool Group Omnibus Stock Plan (formerly the "Actuant Corporation Omnibus Stock Plan").

2.36 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture has the meaning specified in Treas. Reg. Section 1.409A-1(d).

2.37 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

2.38 Valuation Date. Valuation Date means each Business Day.

ARTICLE III

Eligibility and Participation

3.1 Eligibility and Participation. All Eligible Employees may enroll in the Plan. Eligible Employees become Participants on the first to occur of (i) the date on which the first Compensation Deferral Agreement becomes irrevocable under Article IV, or (ii) the date Company Contributions are credited to a Company Contribution Account on behalf of such Eligible Employee.

3.2 Duration. Only Eligible Employees may submit Compensation Deferral Agreements during an enrollment and receive Company Contributions during the Plan Year. A Participant who is no longer an Eligible Employee but has not incurred a Separation from Service will not be allowed to submit Compensation Deferral Agreements but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or

her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0). All Participants, regardless of employment status, will continue to be credited with Earnings and during such time may continue to make allocation elections as provided in Section 7.4. An individual shall cease being a Participant in the Plan when his Account has been reduced to zero (0).

3.3 Rehires. An Eligible Employee who Separates from Service and who subsequently resumes performing services for an Employer in the same calendar year (regardless of eligibility) will have his or her Compensation Deferral Agreement for such year, if any, reinstated, but his or her eligibility to participate in the Plan in years subsequent to the year of rehire shall be governed by the provisions of Section 3.1.

ARTICLE IV
Deferrals

4.1 Deferral Elections, Generally.

(a) A Participant may make an initial election to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. Unless an earlier date is specified in the Compensation Deferral Agreement, deferral elections with respect to a Compensation source (such as salary, bonus or other Compensation) become irrevocable on the latest date applicable to such Compensation source under Section 4.2.

(b) A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation, or that is submitted by a Participant who Separates from Service prior to the latest date such agreement would become irrevocable under Section 409A, shall be considered null and void and shall not take effect with respect to such item of Compensation. The Committee may modify or revoke any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2.

(c) The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to 80% of their base compensation and up to 100% of bonus.

Participants electing to defer restricted stock units must defer 100% of the deferrable units specified by the Committee during enrollment. For example, if during the 2018 annual enrollment the Committee permits deferrals of the portion of all outstanding stock unit awards that vest in 2020, a Participant's election to defer Stock Units must defer 100% of all units that vest in 2020.

(d) Deferrals of cash Compensation shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Committee as necessary so as not to exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, required employee benefit deductions, deferrals to 401(k) plans and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.

(e) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and the allocation of Deferrals in whole percentages to one or more Flex Accounts.

The Participant may also specify in his or her Compensation Deferral Agreement the allocation of Stock Units in whole percentages to one or more Stock Accounts. Fractional units for the smallest percentage allocated will be rounded up. For example, if a deferral of units results in an allocation of 33.5 units to one Stock Account and 66.5 units to another account, the units will be adjusted to 34 and 66, respectively.

4.2 Timing Requirements for Compensation Deferral Agreements.

(a) *Initial Eligibility.* The Committee may permit an Eligible Employee to defer Compensation earned in the first year of eligibility. The Compensation Deferral Agreement must be filed within 30 days after attaining Eligible Employee status and becomes irrevocable not later than the 30th day.

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned after the date that the Compensation Deferral Agreement becomes irrevocable.

(b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, the Committee may permit an Eligible Employee to defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement filed under this paragraph shall become irrevocable with respect to such Compensation on the December 31 filing deadline.

(c) *Performance-Based Compensation.* The Committee may permit an Eligible Employee to defer Compensation which qualifies as Performance-Based Compensation by filing a Compensation Deferral Agreement no later than the date that is six months before the end of the applicable performance period, provided that:

(i) the Participant performs services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Compensation Deferral Agreement is submitted; and

(ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-1(e)) or upon a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)) prior to the satisfaction of the performance criteria, will be void unless it would be considered timely under another rule described in this Section.

(d) *Short-Term Deferrals.* The Committee may permit Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) to be deferred in accordance with the rules of Section 6.11, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 6.11(b) shall not apply to payments attributable to a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)). A Compensation Deferral Agreement submitted in accordance with this paragraph becomes irrevocable on the latest date it could be submitted under Section 6.11.

(e) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, the Committee may permit an Eligible Employee to defer such Compensation by filing a Compensation Deferral Agreement on or before the 30th day after the legally binding right to the Compensation accrues, provided that the Compensation Deferral Agreement is submitted at least 12 months in advance of the earliest date on which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable not later than such 30th day. If the forfeiture condition applicable to the payment lapses before the end of such 12-month period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.

(f) *"Evergreen" Deferral Elections.* Compensation Deferral Agreements will continue in effect for subsequent Plan Years or performance periods and become irrevocable on the last permissible date for making elections under this Section 4.2. An evergreen Compensation Deferral Agreement may be revoked or

modified in writing prospectively by the Participant or the Committee with respect to Plan Years and performance periods for which such election remains revocable under this Section 4.2.

A Compensation Deferral Agreement is deemed to be revoked for subsequent years if the Participant is not an Eligible Employee as of the last permissible date for making elections under this Section 4.2 or if the Compensation Deferral Agreement is cancelled in accordance with Section 4.6.

4.3 Minimum Deferral Period. The Committee may, in its discretion, establish in a written communication during enrollment a minimum deferral period for Deferrals and Stock Units. The earliest payment year for Deferrals is the calendar year next following the Plan Year to which the Compensation Deferral Agreement applies.

The earliest payment year for a Stock Unit is the sixth calendar year following the calendar year in which the Stock Unit vests.

If a Compensation Deferral Agreement allocates a Stock Unit to a Stock Account having a Payment Schedule that does not satisfy the minimum deferral period, the Committee will allocate the Stock Unit to the Stock Account having the next earliest payment commencement date. If no such Stock Account exists, the Participant will be deemed to have established a Stock Account that pays January 1 of the first calendar year that meets the minimum deferral requirement. In order to accommodate “evergreen” Compensation Deferral Agreements under Section 4.2(f) that are not revoked by the Participant or the Committee after the establishment of five Stock Accounts, the Committee may establish one or more additional Stock Accounts for the Participant as may be necessary in order to administer the deemed payment elections set forth herein in accordance with Code Section 409A.

If a Compensation Deferral Agreement allocates Deferrals to a Specified Date Account that pays in the year of deferral, the Committee will allocate the Deferral to the Participant’s Specified Date Account with the next earliest payment commencement date, and if no such Account exists, will establish a Specified Date Account that pays on November 1 of the third calendar year following the Plan Year for which the Compensation Deferral Agreement is in effect.

4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant’s Compensation.

4.5 Vesting of Deferrals and Stock Units. Participant Deferrals shall be 100% vested at all times. Deferrals of Stock Units shall become vested in accordance with the provisions of the Enerpac Tool Group Omnibus Stock Plan (formerly the “Actuant Corporation Omnibus Stock Plan”).

4.6 Cancellation of Deferrals. The Committee may cancel a Participant’s Deferrals: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs, (ii) if deferrals

must be suspended under this Plan as a result of a hardship distribution under the Employer's 401(k) plan, through the end of the Plan Year containing the last day on which deferrals must be suspended in accordance with the Plan and regulations issued under Code Section 401(k), and (iii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the disability (as defined in this paragraph (iii)).

ARTICLE V
Company Contributions

5.1 Discretionary Company Contributions. A Participating Employer may, from time to time in its sole and absolute discretion, credit discretionary Company Contributions in the form of matching, profit sharing or other contributions to any Participant in any amount determined by the Participating Employer. Company Contributions are credited to the Participant's Company Contribution Account.

Matching Contribution. If specified in the enrollment materials for a Plan Year, the Company will make a matching contribution of 50% of Deferrals, up to 8% of the Participant's gross Compensation. Participants must meet the same eligibility and service requirements set forth in the Company's 401(k) plan (such as a requirement to be employed on the last day of the 401(k) plan's plan year) in order to receive a matching contribution under this Plan, but are not required to make any elective deferrals to the 401(k) plan as a condition to receive the matching contribution under this Plan.

Discretionary Company Contribution. Discretionary Company Contributions are credited at the sole discretion of the Participating Employer and the fact that a discretionary Company Contribution is credited in one year shall not obligate the Participating Employer to continue to make such Company Contributions in subsequent years.

5.2 Vesting. Company Contributions vest according the schedule specified by the

Committee on or before the time the contributions are made. Matching and discretionary Company contributions are 100% vested.

ARTICLE VI
Payments from Accounts

6.1 General Rules. A Participant's Flex Accounts become payable upon the first to occur of the payment events applicable to such Account under Sections 6.2 (if elected) and 6.4 through 6.8.

A Participant's Stock Accounts become payable upon the first to occur of the payment events under Section 6.3, 6.5 or 6.6.

Payment events and Payment Schedules elected by the Participant shall be set forth in a valid Compensation Deferral Agreement that establishes the Account to which such elections apply in accordance with Article IV or in a valid modification election applicable to such Account as described in Section 6.11.

Payment amounts are based on Account Balances as of the last Valuation Date of the month next preceding the month actual payment is made.

6.2 Specified Date Accounts.

Commencement. Payment is made or begins in the month and year designated by the Participant.

Form of Payment. Payment will be made in a lump sum, unless the Participant elected to receive annual installments up to five (5) years.

6.3 Stock Accounts.

Commencement. Payment is made in the month and year designated by the Participant.

Form of Payment. Payment is made in a lump sum only in shares of Company stock.

6.4 Separation from Service. Upon a Participant's Separation from Service other than death, the Participant is entitled to receive all Flex Accounts that have not commenced payment under Section 6.2 and the Company Contribution Account.

Commencement. Payment is made or commences in the second month following the month Separation from Service occurs. Notwithstanding the foregoing, payment to a Participant who is a "specified employee" as defined in Code Section 409A(a)(2)(B) will commence in the seventh month following his or her Separation from Service.

Form of Payment. Payment of a Flex Account under this Section 6.4 is made in a lump sum unless the Participant elected to receive such Flex Account in annual installments up to ten years.

The Company Contribution Account will be paid in a lump sum only. Stock Accounts are not paid upon Separation

from Service.

6.5 Change in Control. Upon a Change in Control, a Participant will receive all vested Accounts in the second month next following the month the Change in Control occurs. Payment will be made in a single lump sum.

6.6 Death. Notwithstanding anything to the contrary in this Article VI, upon the death of the Participant (regardless of whether such Participant is an Employee at the time of death),

all remaining vested Account Balances shall be paid to his or her Beneficiary in a single lump sum no later than December 31 of the calendar year following the year of the Participant's death.

(a) *Designation of Beneficiary in General.* The Participant shall designate a Beneficiary in the manner and on such terms and conditions as the Committee may prescribe. No such designation shall become effective unless filed with the Committee during the Participant's lifetime. Any designation shall remain in effect until a new designation is filed with the Committee; provided, however, that in the event a Participant designates his or her spouse as a Beneficiary, such designation shall be automatically revoked upon the dissolution of the marriage unless, following such dissolution, the Participant submits a new designation naming the former spouse as a Beneficiary. A Participant may from time to time change his or her designated Beneficiary without the consent of a previously-designated Beneficiary by filing a new designation with the Committee.

(b) *No Beneficiary*. If a designated Beneficiary does not survive the Participant, or if there is no valid Beneficiary designation, amounts payable under the Plan upon the death of the Participant shall be paid to the Participant's spouse, or if there is no surviving spouse, then to the duly appointed and currently acting personal representative of the Participant's estate.

6.7 <u>Unforeseeable Emergency</u>. A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. If the emergency need cannot be relieved by cessation of Deferrals to the Plan, the Committee may approve an emergency payment therefrom not to exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted *pro rata* from the Participant's Flex Accounts. Withdrawals may not be made from the Company Contribution Account until all Flex Accounts have been distributed. Withdrawals from Stock Accounts may be restricted or prohibited by the Committee in its sole discretion. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee.

6.8 <u>Administrative Cash-Out of Small Balances</u>. Notwithstanding anything to the contrary in this Article VI, the Committee may at any time and without regard to whether a payment event has occurred, direct in writing an immediate lump sum payment of all of the Participant's Flex Accounts and Stock Accounts if the combined Account Balances of such Accounts, combined with any other amounts required to be treated as deferred under a single plan pursuant to Code Section 409A, does not exceed the applicable dollar amount under Code Section 402(g)(1)(B), provided any other such aggregated amounts are also distributed in a lump sum at the same time.

The Committee may direct a separate lump sum payment from the Company Contribution Account under the requirements of the preceding paragraph applied to the Account Balance, combined with other amounts required to be treated as deferred under a single plan with the Company Contribution Account pursuant to Code Section 409A.

6.9 Acceleration of or Delay in Payments. Notwithstanding anything to the contrary in this Article VI, the Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of an Account, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of an Account, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

6.10 Rules Applicable to Installment Payments. If a Payment Schedule specifies installment payments, payments will be made beginning as of the payment commencement date for such installments and shall continue to be made in each subsequent calendar year until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the last Valuation Date in the month preceding the month of payment and (b) equals the remaining number of installment payments. For purposes of Section 6.11, installment payments will be treated as a single payment. If an Account is payable in installments, the Account will continue to be credited with Earnings in accordance with Article VII hereof until the Account is completely distributed.

6.11 Modifications to Payment Schedules. A Participant may modify the Payment Schedule elected by him or her with respect to an Account, consistent with the permissible forms of payment (lump sum or installments) available under the Plan for the applicable payment event, provided such modification complies with the requirements of this Section 6.11.

(a) *Time of Election*. The modification election must be submitted to the Committee not less than 12 months prior to the date payments would have commenced under the Payment Schedule in effect prior to modification (the "Prior Election").

(b) *Date of Payment under Modified Payment Schedule*. The date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the Prior Election. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A. If the Participant modifies only the form, and not the commencement date for payment, payments shall commence on the fifth anniversary of the date payment would have commenced under the Prior Election.

(c) *Irrevocability; Effective Date*. A modification election is irrevocable when filed and becomes effective 12 months after the filing date.

(d) *Effect on Accounts*. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules or payment events of any other Accounts.

ARTICLE VII

Valuation of Account Balances; Investments

7.1 Valuation. Deferrals shall be credited to appropriate Flex Accounts as of the day on which such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Valuation of Accounts shall be performed under procedures approved by the Committee.

7.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VII ("investment allocation").

7.3 Investment Options. Investment options will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.

7.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.

A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

7.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee.

7.6 Stock Accounts. Notwithstanding the other provisions of this Article VII, Stock Account values are based on the value of Stock Units as determined under the terms of the Enerpac Tool Group Omnibus Stock Plan (formerly the "Actuant Corporation Omnibus Stock Plan"). A Participant may not allocate Stock Units to another investment option under the Plan. A Participant may not allocate Flex Accounts or a Company Contribution Account into Stock Units.

Dividend equivalents will be credited to a Stock Account with respect to the Stock Units held in such Account at the same time as dividends are credited with respect to the Company's common stock and will be treated as Earnings for purposes of determining the time and form of payment from the Plan. If the Stock Units with respect to which dividend equivalents are paid were deferred under Section 4.2(d), such dividend equivalents will be credited only if declared on or after the date such Stock Units become vested.

7.7 Valuations Final After 180 Days. The Participant shall have 180 days following the Valuation Date on which the Participant failed to receive the full amount of Earnings and to file a claim under Article XI for the correction of such error.

ARTICLE VIII
Administration

8.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XI.

8.2 Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. The Committee, by a vote of a majority of its members, shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.

Upon such Change in Control, the Company may not remove the Committee or its members, unless a majority of Participants and Beneficiaries with Account Balances consent to the removal and replacement of the Committee. Notwithstanding the foregoing, the Committee shall not have authority to direct investment of trust assets under any rabbi trust described in Section 10.2.

The Participating Employers shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) against any costs,

expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee's duties hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.

8.3 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings of payroll taxes (FICA and Medicare) with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan.

8.4 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee, its delegees and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.

8.5 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.

8.6 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

ARTICLE IX

Amendment and Termination

9.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article IX. Each Participating Employer may also terminate its participation in the Plan.

9.2 Amendments. The Company, by action taken by its Board of Directors, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date). The Board of Directors of the Company may delegate to the Committee the authority to amend the Plan without the consent of the Board of Directors for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the Plan documents; and (iv) making such other amendments as the Board of Directors may authorize. No amendment is needed to revise the list of Participating Employers set forth on Schedule A attached hereto.

9.3 Termination. The Company, by action taken by its Board of Directors, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix).

9.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

ARTICLE X
Informal Funding

10.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article X. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.

10.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

If a rabbi trust is in existence upon the occurrence of a "change in control", as defined in such trust, the Participating Employer shall, upon such change in control, and on each anniversary of the change in control, contribute in cash or liquid securities such amounts

as are necessary so that the value of assets after making the contributions exceed 125% of the total value of all Account Balances.

ARTICLE XI
Claims

11.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant"). Notice of a claim for payments shall be delivered to the Committee within 90 days of the latest date upon which the payment could have been timely made in accordance with the terms of the Plan and Code Section 409A, and if not paid, the Participant or Beneficiary must file a claim under this Article XI not later than 180 days after such latest date. If the Participant or Beneficiary fails to file a timely claim, the Participant forfeits any amounts to which he or she may have been entitled to receive under the claim.

(a) *In General.* Notice of a denial of benefits (other than claims based on disability) will be provided within 90 days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 90-day period. The extension will not be more than 90 days from the end of the initial 90-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

(b) *Disability Benefits.* Notice of denial of claims based on disability will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for disability benefits. If the Committee determines that it needs additional time to review the disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 45-day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional 30 days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial 30-day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of 45 days to submit any necessary additional information to the Committee. In the event that a 30-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the

earlier of the date the Claimant responds to the request for additional information or the response deadline.

(c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). The notice of denial shall set forth the specific reasons for denial in plain language. The notice shall: (i) cite the pertinent provisions of the Plan document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including the right to appeal the decision, the deadline by which such appeal must be filed and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on appeal and the specific date by which such a civil action must commence under Section 11.4.

In the case of a complete or partial denial of a disability benefit claim, the notice shall provide such information and shall be communicated in the manner required under applicable Department of Labor regulations.

11.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relating to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The review shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(a) *In General.* Appeal of a denied benefits claim (other than a disability benefits claim) must be filed in writing with the Appeals Committee no later than 60 days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within 60 days following receipt of the appeal (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for

reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

(b) *Disability Benefits.* Appeal of a denied disability benefits claim must be filed in writing with the Appeals Committee no later than 180 days after receipt of the written notification of such claim denial. The review shall be conducted in accordance with applicable Department of Labor regulations.

The Appeals Committee shall make its decision regarding the merits of the denied claim within 45 days following receipt of the appeal (or within 90 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.

(c) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). Such notice shall set forth the reasons for denial in plain language.

The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant’s claim, and (iv) a statement of the Claimant’s right to bring an action under Section 502(a) of ERISA, following an adverse decision on review and the specific date by which such a civil action must commence under Section 11.4.

For the denial of a disability benefit, the notice will also include such additional information and be communicated in the manner required under applicable Department of Labor regulations.

11.3 Claims Appeals Upon Change in Control. Upon a change in control, the Appeals Committee, as constituted immediately prior to such change in control, shall continue to act as the Appeals Committee. The Company may not remove any member of the Appeals Committee, but may replace resigning members if 2/3rds of the members of the Board of Directors of the Company and a majority of Participants and Beneficiaries with Account Balances consent to the replacement.

The Appeals Committee shall have the exclusive authority at the appeals stage to interpret the terms of the Plan and resolve appeals under the Claims Procedure.

Each Participating Employer shall, with respect to the Committee identified under this Section: (i) pay its proportionate share of all reasonable expenses and fees of the Appeals Committee, (ii) indemnify the Appeals Committee (including individual committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Appeals Committee hereunder, except with respect to matters resulting from the Appeals Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Appeals Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Appeals Committee may reasonably require.

11.4 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or administrative remedies under Sections 11.1 and 11.2. No such legal action may be brought more than twelve (12) months following the notice of denial of benefits under Section 11.2, or if no appeal is filed by the applicable appeals deadline, twelve (12) months following the appeals deadline.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a change in control (including a "change in control" as defined in a rabbi trust described in Section 10.2) the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account Balance and will be included in determining the Participating Employer's trust funding obligation under Section 10.2.

11.5 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

11.6 Arbitration.

(a) *Prior to Change in Control.* If, prior to a change in control, any claim or controversy between a Participating Employer and a Participant or Beneficiary is not resolved through the claims procedure set forth in Article XI, such claim shall be submitted to and resolved exclusively by expedited binding arbitration by a single arbitrator. Arbitration shall be conducted in accordance with the following procedures:

The complaining party shall promptly send written notice to the other party identifying the matter in dispute and the proposed remedy. Following the giving of such notice, the parties shall meet and attempt in good faith to resolve the matter. In the event the parties are unable to resolve the matter within 21 days, the parties shall meet and attempt in good faith to select a single arbitrator acceptable to both parties. If a single arbitrator is not selected by mutual consent within ten Business Days following the giving of the written notice of dispute, an arbitrator shall be selected from a list of nine persons each of whom shall be an attorney who is either engaged in the active practice of law or recognized arbitrator and who, in either event, is experienced in serving as an arbitrator in disputes between employers and employees, which list shall be provided by the main office of either JAMS, the American Arbitration Association ("AAA") or the Federal Mediation and Conciliation Service. If, within three Business Days of the parties' receipt of such list, the parties are unable to agree on an arbitrator from the list, then the parties shall each strike names alternatively from the list, with the first to strike being determined by the flip of a coin. After each party has had four strikes, the remaining name on the list shall be the arbitrator. If such person is unable to serve for any reason, the parties shall repeat this process until an arbitrator is selected.

Unless the parties agree otherwise, within 60 days of the selection of the
arbitrator, a hearing shall be conducted before such arbitrator at a time and a place agreed upon by the parties. In the event the parties are unable to agree upon the time or place of the arbitration, the time and place shall be designated by the arbitrator after consultation with the parties. Within 30 days of the conclusion of the arbitration hearing, the arbitrator shall issue an award, accompanied by a written decision explaining the basis for the arbitrator's award.

In any arbitration hereunder, the Participating Employer shall pay all administrative fees of the arbitration and all fees of the arbitrator, except that the Participant or Beneficiary may, if he/she/it wishes, pay up to one-half of those amounts. Each party shall pay its own attorneys' fees, costs, and expenses, unless the arbitrator orders otherwise. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled, to the extent permitted by law, to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees. The arbitrator shall

have no authority to add to or to modify this Plan, shall apply all applicable law, and shall have no lesser and no greater remedial authority than would a court of law resolving the same claim or controversy. The arbitrator shall have no authority to add to or to modify this Plan, shall apply all applicable law, and shall have no lesser and no greater remedial authority than would a court of law resolving the same claim or controversy. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that it would be entitled to summary judgment if the matter had been pursued in court litigation.

The parties shall be entitled to discovery as follows: Each party may take no more than three depositions. The Participating Employer may depose the Participant or Beneficiary plus two other witnesses, and the Participant or Beneficiary may depose the Participating Employer, pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, plus two other witnesses. Each party may make such reasonable document discovery requests as are allowed in the discretion of the arbitrator.

The decision of the arbitrator shall be final, binding, and non-appealable, and may be enforced as a final judgment in any court of competent jurisdiction.

This arbitration provision of the Plan shall extend to claims against any parent, subsidiary, or affiliate of each party, and, when acting within such capacity, any officer, director, shareholder, Participant, Beneficiary, or agent of any party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law or under this Plan.

Notwithstanding the foregoing, and unless otherwise agreed between the parties, either party may apply to a court for provisional relief, including a temporary restraining order or preliminary injunction, on the ground that the arbitration award to which the applicant may be entitled may be rendered ineffectual without provisional relief.

Any arbitration hereunder shall be conducted in accordance with the Federal Arbitration Act: provided, however, that, in the event of any inconsistency between the rules and procedures of the Act and the terms of this Plan, the terms of this Plan shall prevail.

If any of the provisions of this Section 11.6(a) are determined to be unlawful or otherwise unenforceable, in the whole part, such determination shall not affect the validity of the remainder of this section and this section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the provisions of this Section 11.6(a) are not absolutely

binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact and treated as determinative to the maximum extent permitted by law.

The parties do not agree to arbitrate any putative class action or any other representative action. The parties agree to arbitrate only the claims(s) of a single Participant or Beneficiary.

(b) *Upon Change in Control.* Upon a change in control, Section 11.6(a) shall not apply and any legal action initiated by a Participant or Beneficiary to enforce his or her rights under the Plan may be brought in any court of competent jurisdiction. Notwithstanding the Appeals Committee's discretion under Sections 11.3 and 11.5, the court shall apply a de novo standard of review to any prior claims decision under Sections 11.1 through 11.3 or any other determination made by the Company, its Board of Directors, a Participating Employer, the Committee, or the Appeals Committee.

ARTICLE XII
General Provisions

12.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

12.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.

12.3 No Employment Contract. Nothing contained herein shall be construed to constitute a contract of employment between an Employee and a Participating Employer. Nothing contained herein shall be construed as changing a Participant's status from employee to independent contractor or from independent contractor to employee.

12.4 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

ENERPAC TOOL GROUP CORP.
N86 W12500 WESTBROOK CROSSING
MENOMONEE FALLS, WI 53051
ATTN: HUMAN RESOURCES

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

12.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

12.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.

12.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored. If the Committee is unable to locate the Participant or Beneficiary after five years of the date payment is scheduled to be made, provided that a Participant's Account shall not be credited with Earnings following the first anniversary of such date on which payment is to be made and further provided, however, that such benefit shall be reinstated, without further adjustment for interest, if a valid claim is made by or on behalf of the Participant or Beneficiary for all or part of the forfeited benefit.

12.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Plan from further liability on account thereof.

12.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of Wisconsin shall govern the construction and administration of the Plan.

12.10 Compliance With Code Section 409A; No Guarantee. This Plan is intended to be administered in compliance with Code Section 409A and each provision of the Plan shall be interpreted consistent with Code Section 409A. Although intended to comply with Code Section 409A, this Plan shall not constitute a guarantee to any Participant or Beneficiary that the Plan in form or in operation will result in the deferral of federal or state income tax liabilities or that the Participant or Beneficiary will not be subject to the additional taxes imposed under Section 409A. No Employer shall have any legal obligation to a Participant with respect to taxes imposed under Code Section 409A.

Exhibit 10.4

Enerpac Tool Group Nonqualified Deferred Compensation Plan

Schedule A

Participating Employers

Enerpac Tool Group Corp. (formerly “Actuant Corporation”)
BW Elliott Mfg Co, LLC
Hydratight Operations, Inc.
Maxima Technologies & Systems, LLC
Power Packer North America, Inc.
The Cortland Companies, Inc.
Versa Technologies, Inc.
Weasler Engineering, Inc

Exhibit 21

NAME OF SUBSIDIARY:	STATE/COUNTRY OF INCORPORATION:
Hydratight Angola Lda	Angola
Actuant Australia Pty. Ltd.	Australia
Actuant Energy Pty. Ltd.	Australia
Cortland Company Australia Pty. Ltd.	Australia
Hydratight (Asia Pacific) Pty. Ltd.	Australia
HTL Australasia Pty. Ltd.	Australia
Hydratight Equipamentos Servicos e Industria Ltda.	Brazil
Actuant Canada Corporation	Canada
Actuant Changchun Co. Ltd.	China
Actuant China Industries Co. Ltd.	China
Actuant China Ltd.	China
Actuant Shanghai Trading Co. Ltd.	China
Actuant Cyprus Ltd	Cyprus
Enerpac International Holdings, Inc.	Delaware
Enerpac UK Holdings, LLC	Delaware
Cortland Company, Inc	Delaware
ETG Worldwide Holdings II LLC	Delaware
Hydratight Operations, Inc.	Delaware
Actuant Europe Holdings SAS	France
Actuant France SAS	France
Hydratight SAS	France
Actuant GmbH	Germany
Hydratight Injectaseal Deutschland GmbH	Germany
Actuant Global Sourcing, Ltd.	Hong Kong
Actuant International Services, Ltd.	Hong Kong
Actuant Hungary Holding Kft.	Hungary
Actuant Hungary Kft.	Hungary
ATU Hungary Holding Kft.	Hungary
Actuant India Pvt. Ltd.	India
Engineered Solutions LP	Indiana
Enerpac SpA	Italy
Enerpac Co. Ltd	Japan
AE Investments I Ltd.	Jersey
Hydratight Holding Kazakhstan LLP	Kazakhstan
ETG JV Kazakhstan LLP	Kazakhstan
Hydratight Operating Company Kazakhstan LLP	Kazakhstan
CrossControl Sdn. Bhd.	Malaysia
Actuant Mexico Holdings S. de R.L. de C.V.	Mexico
Actuant Europe CV	Netherlands
Applied Power Europa BV	Netherlands
ATU Euro Finance BV	Netherlands
ATU Global Holdings CV	Netherlands
ATU Global Holdings II BV	Netherlands
BML Global Holdings CV	Netherlands
Enerpac BV	Netherlands

Enerpac Heavy Lifting Technology BV	Netherlands
HTL Europe BV	Netherlands
Hydratight BV	Netherlands
Enerpac Investments, Inc.	Nevada
ETG M.E. Investments, LLC	Nevada
ETG Worldwide Holdings I Inc.	New York
Enerpac AS	Norway
Selantic AS	Norway
Venice Holdings AS	Norway
Venice Norge AS	Norway
Enerpac Eastern Europe SP. ZO.O	Poland
Hydratight Arabia Limited	Saudi Arabia
Actuant Asia Pte. Ltd.	Singapore
Enerpac Asia Pte. Ltd.	Singapore
Actuant Operations Singapore Pte Ltd.	Singapore
Venice (Singapore) Pte Ltd.	Singapore
Venice Holdings (Singapore) Pte Ltd.	Singapore
Enerpac Africa (Pty) Ltd.	South Africa
Actuant Korea Ltd.	South Korea
Actuant Middle East Holdings, S.L.	Spain
Enerpac Spain, S.L.	Spain
Larzep, S.A.	Spain
Actuant Holdings AB	Sweden
Actuant Sweden HB	Sweden
Enerpac Scandinavia AB	Sweden
PSL Holdings, Inc.	Texas
Hydratight Ltd.	Trinidad
Actuant Operations UK Ltd.	UK
BML PN Ltd	UK
CAM 1 Ltd	UK
Cortland UK Holdings Limited	UK
D.L. Ricci Ltd	UK
Enerpac Acquisitions Ltd.	UK
Enerpac Acquisitions Finance Ltd.	UK
Enerpac Energy Ltd.	UK
Enerpac Finance Ltd	UK
Enerpac Global Financing Limited	UK
Enerpac Holdings Ltd.	UK
Enerpac International Ltd.	UK
ETG Asia Holdings Ltd	UK
ETG Global Holdings Ltd	UK
ETG Investments Ltd	UK
Equalizer Flange Integrity Systems Ltd.	UK
Equalizer International Ltd.	UK
Gee-Force Northern Ltd	UK
HTL Group Limited	UK
HT Global Holdings Limited	UK
Hydratight Ltd.	UK
Hydratight Operations, Ltd.	UK

Mirage Machines Limited	UK
Venice Fundco Ltd.	UK
Venice Topco Ltd.	UK
Enerpac Middle East FZE	United Arab Emirates
Hydratight FZE	United Arab Emirates

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-215592, 333-53704, 333-89068, 333-102523, 333-102524, 333-112008, 33-118811, 333-131186, 333-131187, 333-156734, 333-179007, 333-186146, 333-164304, and 333-164303) of Actuant Corporation of our report dated October 28, 2019 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-239643, 333-215592, 333-42353, 333-46469, 333-53702, 333-53704, 333-60564, 333-61279, 333-61281, 333-61389, 333-89068, 333-102523, 333-102524, 333-112008, 333-118811, 333-131186, 333-131187, 333-156734, 333-179007, 333-186146, 333-164304, and 333-164303) of Enerpac Tool Group Corp. of our report dated October 26, 2020 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Milwaukee, Wisconsin
October 26, 2020

Exhibit 31.1

CERTIFICATION

I, Randal W. Baker, certify that:

1. I have reviewed this annual report on Form 10-K of Enerpac Tool Group Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 26, 2020

/s/ Randal W. Baker

Randal W. Baker
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Rick T. Dillon, certify that:

1. I have reviewed this annual report on Form 10-K of Enerpac Tool Group Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 26, 2020

/s/ Rick T. Dillon

Rick T. Dillon
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned President and Chief Executive Officer of Enerpac Tool Group Corp. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the annual period ended August 31, 2020 (the "Report") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: October 26, 2020

/s/ Randal W. Baker

Randal W. Baker

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Enerpac Tool Group Corp. and will be retained by Enerpac Tool Group Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.

Exhibit 32.2

WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned Executive Vice President and Chief Financial Officer of Enerpac Tool Group Corp. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the annual period ended August 31, 2020 (the “Report”) fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: October 26, 2020

/s/ Rick T. Dillon

Rick T. Dillon

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Enerpac Tool Group Corp. and will be retained by Enerpac Tool Group Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.