Power Transmission and Motion Control Solutions

Altra Industrial Motion

Altra Industrial Motion

Investor Presentation

October 2018

Safe Harbor & Non-GAAP Financial Metrics

Cautionary Statement Regarding Forward Looking Statements: All statements, other than statements of historical fact included in this communication are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. Forward-looking statements can generally be identified by phrases such as “believes,” “expects,” “potential,” “continues,” “may,” “should,” “seeks,” “predicts,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “could,” “designed”, “should be,” and other similar expressions that denote expectations of future or conditional events rather than statements of fact. Forward-looking statements also may relate to strategies, plans and objectives for, and potential results of, future operations, financial results, financial condition, business prospects, growth strategy and liquidity, and are based upon financial data, market assumptions and management's current business plans and beliefs or current estimates of future results or trends available only as of the time the statements are made, which may become out of date or incomplete. Forward-looking statements are inherently uncertain, and investors must recognize that events could differ significantly from our expectations. These statements include, but may not be limited to, the statements under “Business Outlook,” our expectations regarding our tax rate, our expectations regarding our acquisition of the A&S businesses, including but not limited to our expectations regarding the integration of the A&S businesses and the impact of such acquisition on our business, including expected synergies, our expectations regarding delivering our business and our ability to deliver our business, our expectations regarding growth opportunities and our ability to drive growth, our plans to change how we calculate certain non-GAAP measures, our expectations regarding our ability to serve our customers and deliver value for our shareholders and the Company’s guidance for full year 2018.

In addition to the risks and uncertainties noted in this release, there are certain factors that could cause actual results to differ materially from those anticipated by some of the statements made. These include: (1) competitive pressures, (2) changes in economic conditions in the United States and abroad and the cyclical nature of our markets, (3) loss of distributors, (4) the ability to develop new products and respond to customer needs, (5) risks associated with international operations, including currency risks, (6) accuracy of estimated forecasts of OEM customers and the impact of the current global economic environment on our customers, (7) risks associated with a disruption to our supply chain, (8) fluctuations in the costs of raw materials used in our products, (9) product liability claims, (10) work stoppages and other labor issues, (11) changes in employment, environmental, tax and other laws and changes in the enforcement of laws, (12) loss of key management and other personnel, (13) risks associated with compliance with environmental laws, (14) the ability to successfully execute, manage and integrate key acquisitions and mergers, (15) failure to obtain or protect intellectual property rights, (16) risks associated with impairment of goodwill or intangibles assets, (17) failure of operating equipment or information technology infrastructure, (18) risks associated with our debt leverage, (19) risks associated with restrictions contained in the agreements governing the Notes and the Altra Credit Facilities, (20) risks associated with compliance with tax laws, (21) risks associated with the global recession and volatility and disruption in the global financial markets, (22) risks associated with implementation of our ERP system, (23) risks associated with the Svendborg, Stromag, and A&S acquisitions and integration and other acquisitions, (24) risks associated with certain minimum purchase agreements we have with suppliers, (25) risks related to our relationships with strategic partners, (26) our ability to offset increased commodity and labor costs with increased prices, (27) risks associated with our exposure to variable interest rates and foreign currency exchange rates, (28) risks associated with interest rate swap contracts, (29) risks associated with our exposure to renewable energy markets, (30) risks related to regulations regarding conflict minerals, (31) risks related to restructuring and plant consolidations, (32) risks related to our acquisition of A&S, including (a) the possibility that we may be unable to achieve expected synergies and operating efficiencies in connection with the proposed transaction within the expected time-frames or at all and to successfully integrate A&S, (b) expected or targeted future financial and operating performance and results, (c) operating costs, customer loss and business disruption (including, without limitation, difficulties in maintain relationships with employees, customers, clients or suppliers) being greater than expected following the transaction, (d) our ability to retain key executives and employees, (e) slowdowns or downturns in economic conditions generally and in the markets in which the A&S businesses participate specifically, (f) lower than expected investments and capital expenditures in equipment that utilizes components produced by us or A&S, (g) lower than expected demand for our or A&S’s repair and replacement businesses, (h) our ability to successfully integrate the merged assets and the associated technology and achieve operational efficiencies, (i) the integration of A&S being more difficult, time-consuming or costly than expected and (j) the inability to undertake certain corporate actions that otherwise could be advantageous to comply with certain tax covenants and (33) other risks, uncertainties and other factors described in the Company's quarterly reports on Form 10-Q and annual reports on Form 10-K and in the Company's other filings with the U.S. Securities and Exchange Commission (SEC) or in materials incorporated therein by reference. Except as required by applicable law, Altra does not intend to, update or alter its forward looking statements, whether as a result of new information, future events or otherwise.

Altra® Industrial Motion

Investment Highlights

A&S Merger Transforms Altra into Premier Industrial Company

Long History and Critical Supplier to Customers	Expands Altra's position across the technology spectrum with custom engineered products and services
Great Brand Names	Well established industry-leading brands known for global technical support and product reliability
Excellent Margin Profile	5-year margin improvement drivers could yield incremental 425 bps
Strong Free Cash Flow[1]	Expect $1B cumulative FCF in 5 years – Target leverage ratio of 2 to 3 times net debt to EBITDA
World Class Business System	Track record of continuous margin improvement and organic growth

[1] Non-GAAP measure. Free Cash Flow defined as net cash provided by operating activities less purchase of property, plant and equipment. Reflects the sum of the free cash flow of Altra and the free cash flow of Fortive A&S Refer to the Appendix for a reconciliation of audited cash flow from operations to non-GAAP free cash flow.

Altra® Industrial Motion

Altra Was Built on Key Acquisitions…

DECEMBER 2004
Genstar purchased Colfax Power Transmission and Kilian Manufacturing to form Altra

MAY 2006
Acquired Bear Linear

FEBRUARY 2007
Acquired TB Wood's

OCTOBER 2007
Acquired All Power

JULY 2012
Acquired Lamiflex

JULY 2014
Acquired Guardian Couplings

October 1, 2018
Merger With Fortive A&S

ALTRA HAS A LONG TRACK RECORD OF SUCCESSFULLY INTEGRATING STRATEGIC ACQUISITIONS

FEBRUARY 2006
Acquired Hay Hall Group

DECEMBER 2006
Altra IPO

MAY 2011
Acquired Bauer Geared Motors

DECEMBER 2013
Acquired Svendborg Brakes

DECEMBER 2016
Acquired Stromag

Acquired A&S Businesses at a Glance

KOLLMORGEN
Because Motion Matters™

A World Leader
in Rotary Precision Motion Solutions

THOMSON™
Linear Motion. Optimized.

A World Leader
in Linear Motion Solutions

Portescap

A World Leader
in High-Efficiency Miniature Motors and Motion Control

Jacobs Vehicle Systems™

A World Leader
in Heavy-Duty Diesel Engine Brake Systems and Valve Actuation Mechanisms

2017 Actual Results

Revenue	$907mm
Adj. EBITDA	~$231mm[1]
Adj. EBITDA Margin	~25%[1]

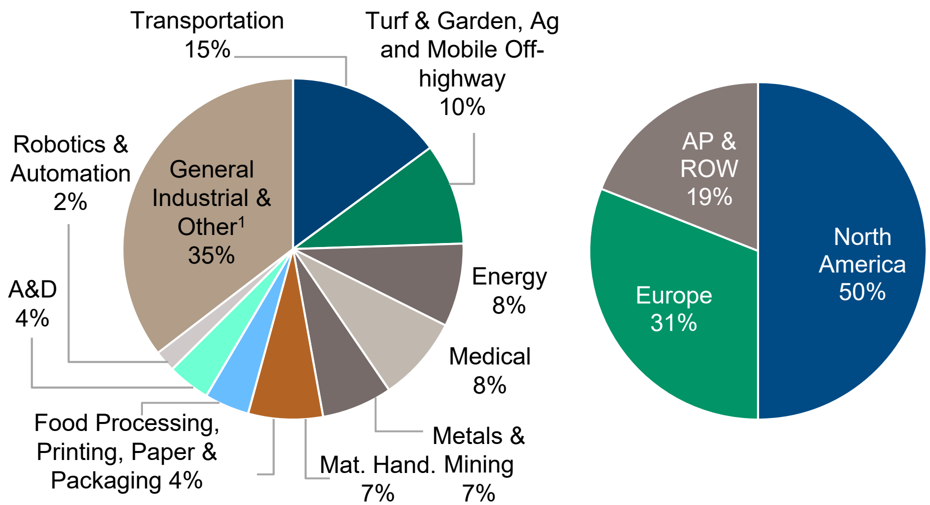
[1] Non-GAAP measure. Adjusted EBITDA excludes standalone costs, corporate charges and certain other non-cash items. Refer to the Appendix for a reconciliation of Audited Net Income to Non-GAAP Adjusted EBITDA.

Altra® Industrial Motion

Increased Exposure to Diverse & Attractive Markets

Combined Company Serves Diverse End Markets

Combined Entity Revenue Breakdown by End-Market & Geography [1]



- Broad market and geographic coverage
- Increases position in higher-growth verticals (medical, robotics)
- Reduces exposure to more cyclical end-markets (mining, oil & gas)

Increased Exposure to Attractive Secular Trends

Medical
- Robotic / Precision surgery
- Hygienic standards

Robotics
- Operator-robot collaboration
- Autonomous mobile robotics

Factory Automation
- Industry 4.0
- Precision control & safety requirements

Food & Bev
- Health & safety requirements
- Rising global middle class

Aerospace
- Precision guidance
- High power density

Electronics
- Miniaturization
- Electronics / sensors proliferation

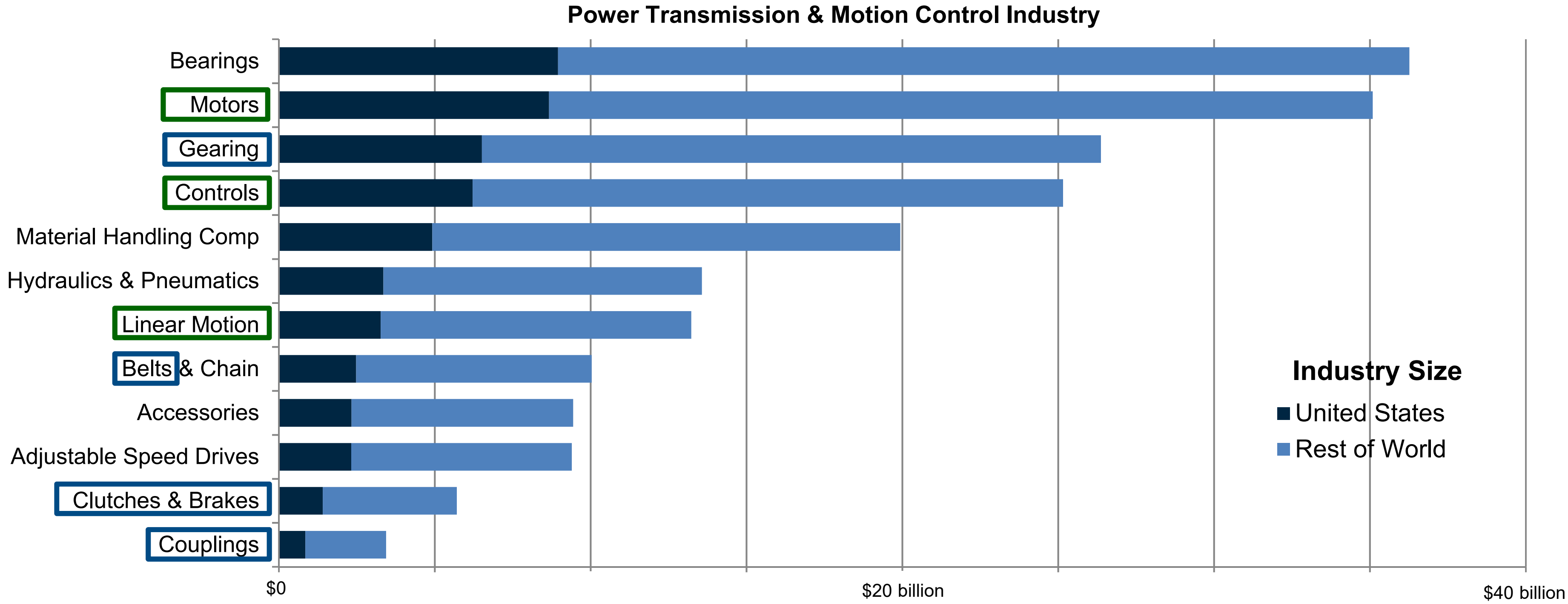
Note: Net Sales split based on Pro Forma 2017 basis. Figures based upon internal management estimates.

[1] Includes distribution channel where end-market is unknown.

Altra Industrial Motion

Altra Moving Up the Technology Spectrum

Expands Power Transmission and Motion Control product coverage, moves Altra into several higher growth and higher margin categories



	Legacy Altra Focus		Fortive A&S Focus		
Bearings Chain Drives Belted Drives	Couplings Clutches & Brakes Gearing	Adjustable Speed Drives & Motors Sensors	Machine Automation Precision Motors / Controls Linear Motion	Hydraulics Pneumatics	Ind. Chemicals Plant Automation Material Handling
Std. PT	**Std. & Eng. PT**	**Basic Electronics**	**Motion Control**	**Adjacent Products**	

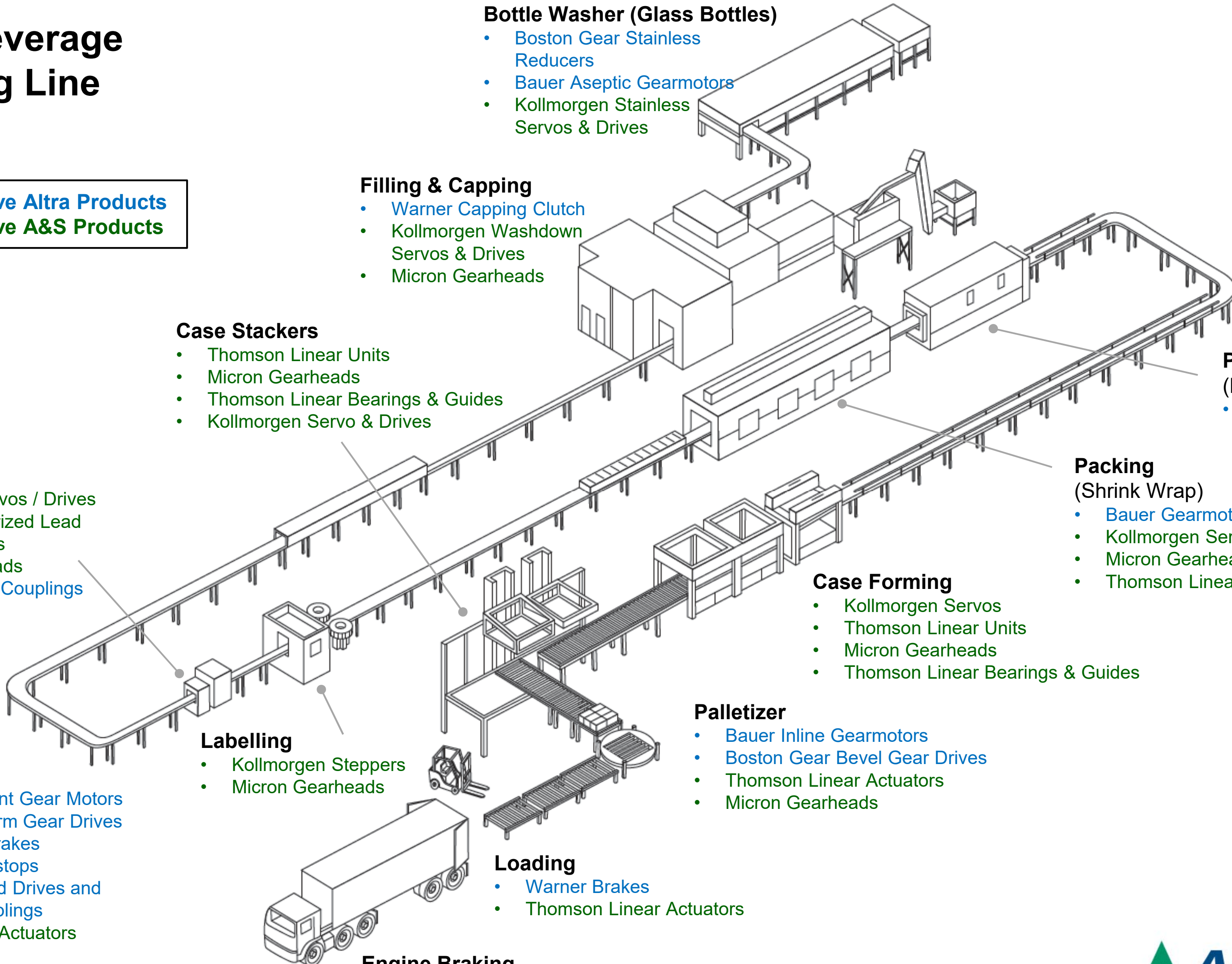
Source: Industrial Market Information Inc., Channel Marketing Group, PTDA 2016 PTMC Market Size Report, management estimates

Altra® Industrial Motion

Expands Portfolio of Customer Solutions

Sample Beverage Processing Line

Representative Altra Products
Representative A&S Products



Bottle Washer (Glass Bottles)
- Boston Gear Stainless Reducers
- Bauer Aseptic Gearmotors
- Kollmorgen Stainless Servos & Drives

Filling & Capping
- Warner Capping Clutch
- Kollmorgen Washdown Servos & Drives
- Micron Gearheads

Case Stackers
- Thomson Linear Units
- Micron Gearheads
- Thomson Linear Bearings & Guides
- Kollmorgen Servo & Drives

Inspection
- Kollmorgen Servos / Drives
- Thomson Motorized Lead Screw Actuators
- Micron Gearheads
- Huco Precision Couplings

Packing
(Heat Shrink Tunnel)
- Bauer High Heat Gearmotors

Packing
(Shrink Wrap)
- Bauer Gearmotors
- Kollmorgen Servos & Drives
- Micron Gearheads
- Thomson Linear Bearings & Guides

Case Forming
- Kollmorgen Servos
- Thomson Linear Units
- Micron Gearheads
- Thomson Linear Bearings & Guides

Palletizer
- Bauer Inline Gearmotors
- Boston Gear Bevel Gear Drives
- Thomson Linear Actuators
- Micron Gearheads

Labelling
- Kollmorgen Steppers
- Micron Gearheads

Conveyor
- Bauer Shaft Mount Gear Motors
- Boston Gear Worm Gear Drives
- Warner Clutch Brakes
- Formsprag Backstops
- TB Wood's Belted Drives and Elastomeric Couplings
- Thomson Linear Actuators

Loading
- Warner Brakes
- Thomson Linear Actuators

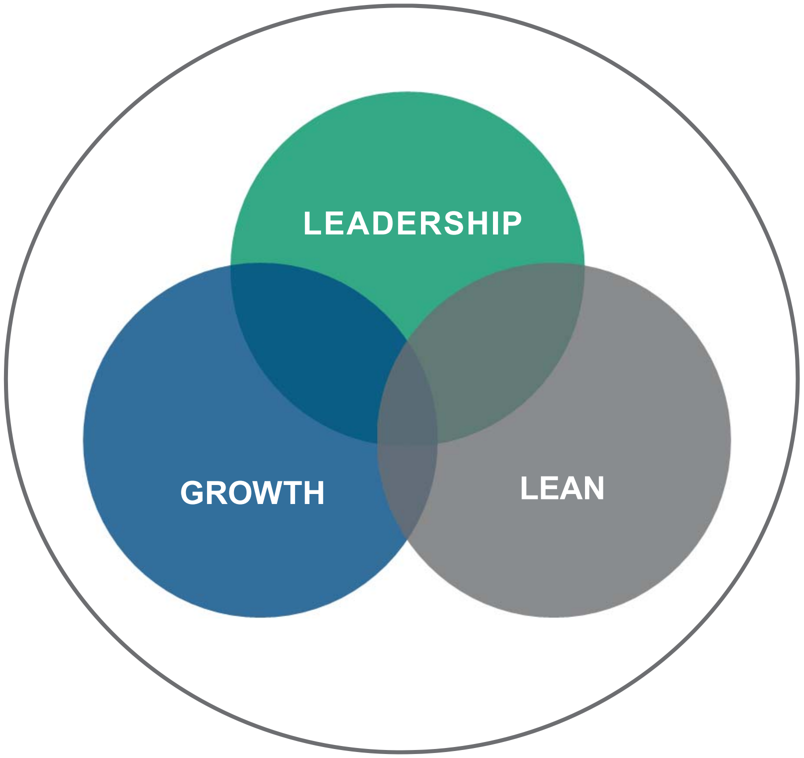
Engine Braking
- Jacobs Vehicle Systems

Altra Industrial Motion

World-Class Business System With Strong Policy Deployment Capabilities

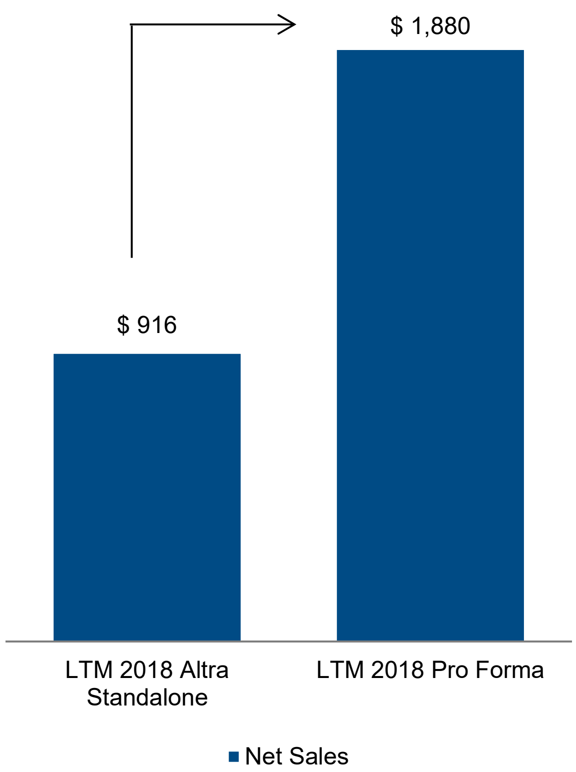
Combined company will benefit from application of best-in-class business systems

- Significant engagement with customers to understand their requirements and improvement objectives
- Engineering teams strive to solve problems and assist in developing new products
- Continuous improvement culture engrained in both companies
  - — On-time delivery
  - — Lead-time reduction
  - — Quality products and services
- Developing people to excel, grow and drive continuous improvement

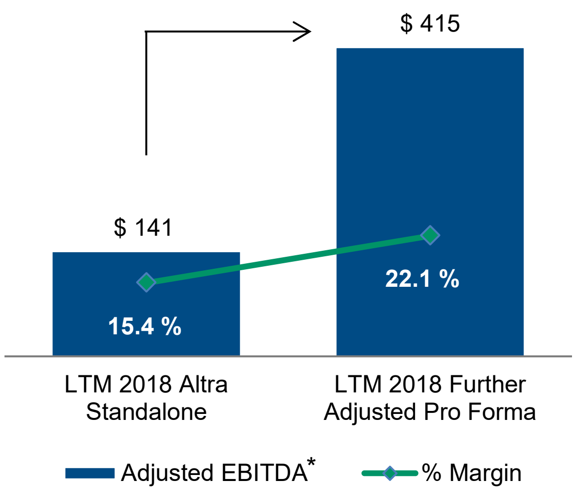


Significant Scale, Attractive Margins and Strong Free Cash Flow | (US$ in millions)

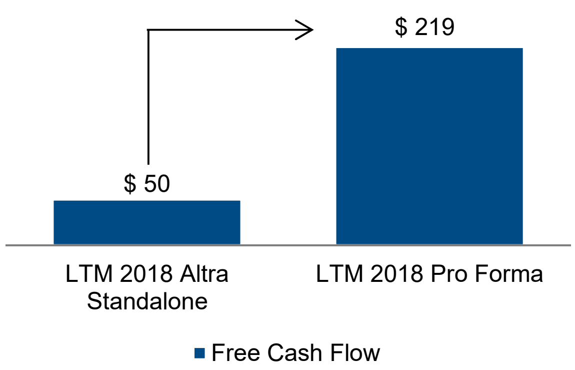
Doubles Net Sales



Triples Adjusted EBITDA* with Significant Margin Expansion



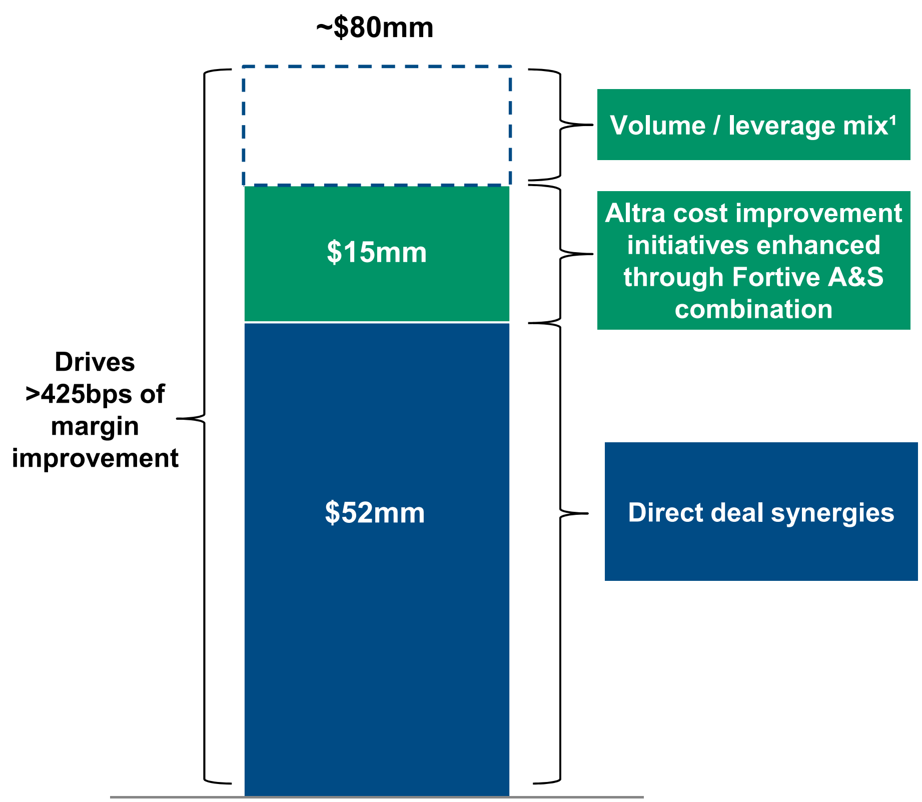
More Than Quadruples Free Cash Flow*[1]



* Non-GAAP measure. Please refer to Appendix for reconciliations of Adjusted EBITDA and Further Adjusted Pro Forma EBITDA to Net Income and of Free Cash Flow to Net Cash Provided by Operating Activities.
Note: Adjusted EBITDA and Adjusted EBITDA margin include pro forma synergies of $23mm, expected to be achieved by year 2 after closing.
[1] Free Cash Flow defined as net cash provided by operating activities less purchase of property, plant and equipment.

Significant Long-Term Margin Upside

Drivers of Margin Improvement: Next Five Years



Direct Deal Synergies ~$52mm

Facility Consolidations

- Manufacturing / sales and administrative

Application of FBS to Altra

- Direct materials and other savings

Other Direct and Indirect

- SG&A and strategic pricing initiatives
- Distributor leverage, supplier consolidations, other

Revenue

- Cross selling / access to new customers

Expect to achieve run rate synergies in four years; ~50% of run rate synergies to be achieved by year two

Source: Management figures

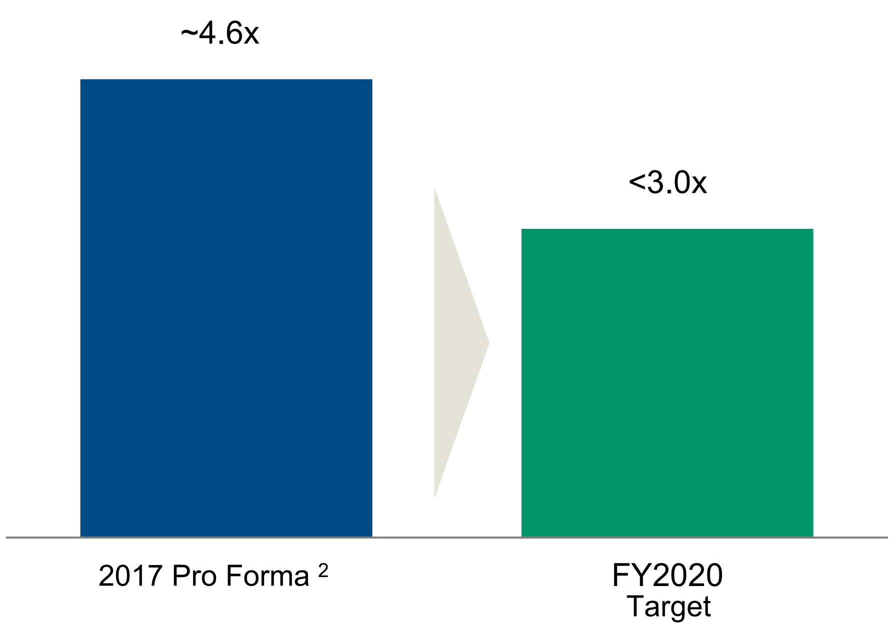
[1] Based on continued market improvement in high profit markets (i.e. oil & gas and mining).

Altra® Industrial Motion

Significant Free Cash Flow Enables Altra to De-lever Quickly

Altra to prioritize debt pay down until leverage metrics return to 2.0-3.0x Net Debt/EBITDA

Combined Company Net Debt / LTM Adj. EBITDA[1]



1. **Free cash flow generation: >$1 billion in five years**
2. **Combined company FY17 pro forma Adj. EBITDA margins of 20% (excluding synergies)[3]**
3. **Significant cash flow generation enables quick de-levering**

[1] Non-GAAP measure. Estimated Altra Net Debt/LTM EBITDA at close, including 50% credit for estimated run-rate cost synergies of $46mm. Refer to the Appendix for a reconciliation of Audited Net Income to Non-GAAP Adjusted EBITDA

[2] As of December 31, 2017, Altra had $276 million of indebtedness outstanding and as of December 31, 2017 on a pro forma basis after giving effect to the Transactions, Altra would have had $1,722.4 million of indebtedness outstanding.

[3] Non-GAAP measure. Reflects the sum of the Adj. EBITDA of Altra and the Adj. EBITDA of Fortive A&S.

Altra Industrial Motion

Excellent Progress With A&S Integration

$1.9bn

Global Leader

in Precision Motion Control and Power Transmission

Enhanced financial profile

Positioned to accelerate innovation

Expanded suite of technology & solutions

Increased exposure to attractive secular trends

- Executive team visited 21 A&S facilities in October
- Completed consolidation of A&S Sao Paulo, Brazil facility into Altra's location
- Completed payroll and most IT integration activities; Great progress on supply chain
- Validated cultural fit; established Core Values and Core Value Drivers for the combined organization
- Combining Fortive Business System and Altra Business system underway
- Beginning to develop joint sales opportunities
- Confident in delivering $52 million of synergies by year four

Note: Combined company revenues approximately $1.9 billion for the twelve months ending June 30, 2018.

Investment Highlights

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Altra® Industrial Motion

Power Transmission and Motion Control Solutions

Altra Industrial Motion

Appendix

Discussion of Non-GAAP Measures

* As used in this presentation, non-GAAP EBITDA is calculated using net income that excludes interest expense (net), provision for income taxes, depreciation expense and amortization expense. Non-GAAP Adjusted EBITDA and non-GAAP Further Adjusted Pro Forma EBITDA is calculated using net income that excludes interest expense (net), provision for income taxes, depreciation expense, amortization expense, acquisition related costs, restructuring costs and other income or charges that management does not consider to be directly related to Altra's core operating performance. Non-GAAP free cash flow is calculated by deducting purchases of property, plant and equipment net cash provided by operating activities.

Altra believes that the presentation of non-GAAP EBITDA, non-GAAP Adjusted EBITDA, non-GAAP Further Adjusted Pro Forma EBITDA and non-GAAP free cash flow provides important supplemental information to management and investors regarding financial and business trends relating to Altra's financial condition and results of operations.

Altra® Industrial Motion

Altra Net Income to Adjusted EBITDA
(US$ in millions)

	Year Ended December 31, 2017	LTM 30-Jun-2018
Net Income	$ 51.4	$ 53.7
Interest Expense, Net	7.7	7.9
Provision for Income Taxes	19.7	20.7
Depreciation Expense	26.5	27.4
Amortization Expense	9.5	9.7
EBITDA	**$ 114.8**	**$ 119.4**
Asset Impairment and Other, Net	1.1	1.4
Loss on Write-off of Deferred Financing and Extinguishment of Convertible Debt	1.8	-
Acquisition Related Expenses	2.2	7.8
Loss on Partial Settlement of Pension Plans	1.7	6.8
Amortization of Inventory Fair Value Adjustment	2.3	-
Stock Compensation Expense	5.3	4.8
Supplier Warranty Settlement	-	(2.0)
Restructuring and Consolidation Expense	4.1	2.5
Warranty Provision Related to Svendborg Acquisition	-	-
Legal Fees Associated with Pursuit of Unfair Trade Remedy	-	-
Adjusted EBITDA	**$ 133.3**	**$ 140.7**

Source: Company filings

Altra Industrial Motion

Fortive A&S Net Income to Adjusted EBITDA (US$ in millions)

	Year Ended December 31, 2017	LTM 29-Jun-2018
Net Earnings	$ 151.7	$ 174.0
Interest Expense, Net	0.5	0.6
Provision/(Benefit) for Income Taxes	41.0	40.2
Depreciation and Amortization Expenses	15.8	16.0
EBITDA	**$ 209.0**	**$ 230.8**
Stock Compensation Expense	4.4	4.1
Corporate Allocations	17.4	18.5
Additional Operational Costs to Altra	(2.5)	(2.5)
Adjusted EBITDA	**$ 228.3**	**$ 250.9**

Source: Company filings

Reconciliation to Further Adjusted Pro Forma EBITDA and Free Cash Flow | (US$ in millions)

Reconciliation to Further Adjusted Pro Forma EBITDA	Year Ended December 31, 2017	LTM 30-Jun-2018
Net Income	**$ 78.8**	**$ 98.9**
Interest Expense, Net	91.8	91.9
Provision for Income Taxes	23.5	27.9
Depreciation Amortization Expenses	120.3	121.5
Pro Forma EBITDA	**$ 314.4**	**$ 340.2**
Asset Impairment and Other, Net	1.1	1.4
Loss on Write-off of Deferred Financing and Extinguishment of Convertible Debt	1.8	-
Acquisition Related Expenses	2.2	7.8
Loss on Partial Settlement of Pension Plans	1.7	6.8
Amortization of Inventory Fair Value Adjustment	11.2	8.9
Stock Compensation Expense	10.2	10.0
Supplier Warranty Settlement	0.0	(2.0)
Restructuring and Consolidation Expense	4.1	2.5
Corporate Allocations	17.4	18.5
Additional Operational Costs	(2.5)	(2.5)
Adjusted Pro Forma EBITDA	**$ 361.6**	**$ 391.6**
Expected Cost Savings		22.9
Further Adjusted Pro Forma EBITDA		**$ 414.5**

Reconciliation to Free Cash Flow	Year Ended December 31, 2017	LTM 30-Jun-2018
Altra Net cash provided by operating activities	$ 80.6	$ 83.7
Altra Purchase of property, plant and equipment	(32.8)	(33.3)
Altra Free Cash Flow	**47.8**	**50.4**
Fortive A&S Net cash provided by operating activities	171.5	193.2
Fortive A&S Purchase of property, plant and equipment	(25.0)	(24.8)
Fortive A&S Free Cash Flow	**146.5**	**168.4**
Pro Forma Free Cash Flow	**$ 194.3**	**$ 218.8**

Source: Company filings

Pro Forma Net Sales, Net Income, Net Cash Provided by Operating Activities

	2017	LTM 30-Jun-2018
Net Sales		
Altra	$ 877	$ 916
Fortive A&S	907	964
Pro Forma	**$ 1,784**	**$ 1,880**
% Uplift vs. Altra Standalone	*103.5 %*	*105.3 %*
Net Income		
Altra	$ 51	$ 54
% Margin	*5.9 %*	*5.9 %*
Fortive A&S	$ 152	$ 174
% Margin	*16.7 %*	*18.0 %*
Pro Forma	**$ 79**	**$ 99**
% Margin	*4.4 %*	*5.3 %*
% Uplift vs. Altra Standalone	*53.3 %*	*84.2 %*
Net Cash Provided by Operating Activities		
Altra	$ 48	$ 50
Fortive A&S	147	168
Pro Forma	**$ 194**	**$ 219**
% Uplift vs. Altra Standalone	*306.5 %*	*334.1 %*

Source: Company filings and press releases

Altra® Industrial Motion