Gardner Denver
Q1 2019 Earnings Presentation

April 30, 2019

Replay Information

- Dial toll-free: +1.877.344.7529
- International: +1.412.317.0088
- Conference ID: #10130797
- Log on to: http://investors.gardnerdenver.com

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Disclaimer

Forward-Looking Statements

During the course of this presentation, we may make "forward-looking statements" within the meaning of the US federal securities laws. In fact, all statements made during this presentation other than statements of historical fact are forward-looking statements. Words such as "expects," "anticipates," "believes," "estimates," "plans," "intends," "projects" and "indicates" and variations of such words or similar expressions are intended to identify forward-looking statements. Although they reflect our current expectations, these statements are not guarantees of future performance, and actual results may differ materially from what is expressed in or indicated by these forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in such forward-looking statements, including those risks and uncertainties described under the section titled "Risk Factors" in our most recent annual report on form 10-K filed with the Securities and Exchange Commission ("SEC"), which risks and uncertainties may be updated from time to time in our periodic filings with the SEC (accessible on the SEC's website at www.sec.gov). Forward-looking statements speak only as of the date the statements are made. The Company does not undertake to update any forward-looking statements as a result of future developments or new information, except as required by law.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. The reconciliation of those measures to the most comparable GAAP measures is detailed in Gardner Denver's press release for the first quarter of 2019, which is available at http://investors.gardnerdenver.com, together with this presentation.

Agenda

- Company Highlights
- Segment Highlights
- Guidance
- Q&A

Q1 2019 Highlights[1]

Q1 performance consistent with expectations… **reaffirming full year 2019 guidance**

- Revenue of $620M, flat, and **up 4%** excluding FX
  - Known pressure in upstream Energy mitigated by the rest of portfolio, including solid performance in mid/downstream Energy businesses
  - GDP-exposed businesses, representing ~75% of revenue, **up 12%** excluding FX[2]
- Adjusted EPS of $0.38, flat[3]
- Adjusted EBITDA of $140M, down 2% excluding FX, with margin of 22.6%
- Solid free cash flow generation of $55M, **up 9%,** allowed for **$27M of debt repayment** and net debt leverage reduction to **2.0x**[4,5]
- Continued improvement in working capital as % of sales of **430 bps**

[1] All comparisons are versus the applicable prior year period unless otherwise noted
[2] GDP-exposed businesses defined as Industrials, Medical and mid/downstream Energy businesses
[3] Adjusted EPS is defined as adjusted net income divided by adjusted diluted average shares outstanding
[4] Free Cash Flow is defined as cash flows from operations less capital expenditures
[5] Leverage defined as net debt divided by LTM Adjusted EBITDA

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Our Strategy

Deploy Talent

Expand Margins

Accelerate Growth

Allocate Capital Effectively

Industrials Segment – Q1 Highlights

(Dollars in millions)

	As Reported	Prior Year	YOY Change	Ex-FX YOY Change
Revenue	**$318.1**	**$316.9**	**0.4%**	**5.6%**
Adjusted EBITDA	**$71.0**	**$66.8**	**6.3%**	**12.0%**
Adjusted EBITDA Margin	**22.3%**	**21.1%**	**120 bps**	

Highlights:

- Orders up 4% ex-FX
- Revenue up 6% ex-FX
- Strong broad based orders and revenue growth across all geographies with particular strength in niche products and end markets
- Adjusted EBITDA margin up 120 bps benefiting from growth and continued progress on operational excellence initiatives

Innovation in Action

LeROI Gas Compressor

Rotary screw and reciprocating gas compression offerings providing cost-effective and efficient solutions for field gathering or vapor recovery applications in growing end markets like biogas

Energy Segment – Q1 Highlights

(Dollars in millions)

	As Reported	Prior Year	YOY Change	Ex-FX YOY Change
Revenue	**$233.1**	**$242.2**	**(3.8)%**	**(1.1)%**
Adjusted EBITDA	**$60.0**	**$68.0**	**(11.8)%**	**(10.4)%**
Adjusted EBITDA Margin	**25.7%**	**28.1%**	**(240) bps**	

Highlights:

- Orders down 26% ex-FX
- Revenue down 1% ex-FX
  - Upstream revenue down 16% ex-FX; consumables up 17%
  - Mid/downstream up 31% ex-FX
- Adjusted EBITDA margin down 240 bps due to revenue decline in upstream and project shipments in midstream partially offset by volume growth in downstream and targeted cost actions

Innovation in Action

Electric-Powered Frac Truck

Leading frac services company using electric-powered frac fleet and Gardner Denver hydraulic fracturing pumps; fleet design and pump technology allows for two frac pumps to be paired on a truck with up to 6,000 horsepower and greater efficiency

Medical Segment – Q1 Highlights

(Dollars in millions)

	As Reported	Prior Year	YOY Change	Ex-FX YOY Change
Revenue	**$69.1**	**$60.5**	**14.2%**	**19.1%**
Adjusted EBITDA	**$20.0**	**$15.9**	**25.8%**	**32.1%**
Adjusted EBITDA Margin	**28.9%**	**26.3%**	**260 bps**	

Highlights:

- Orders down 1% ex-FX… on top of 11% growth in prior year
- Revenue up 19% ex-FX
- Strong broad-based performance across all product technologies and geographies
- Adjusted EBITDA margin up 260 bps driven by organic volume growth and operational efficiencies

Innovation in Action

High Pressure Gas Pump

High pressure gas pump recently specified for use in a leading clinical molecular diagnostic solution; pump provides more efficient flow rates in higher altitude environments

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Reaffirming 2019 Guidance

	Revenue Growth[1]	Adjusted EBITDA	*Phasing Revenue Growth[1]*
Excluding impact of FX:			
Industrials	up MSD		
Medical	up MSD		
Mid and Downstream Energy	up MSD		
Upstream Energy	down LDD to HSD		
Corporate	--		
Total Gardner Denver (Before FX & Other Corporate Expense)	**up LSD to MSD**	**~$710M - $740M** **up MSD to HSD**	***H1: up LSD to MSD*** ***H2: up LSD to MSD***
Total Gardner Denver (Incl. FX & Corp Expense)	**up LSD**	**$680M - $710M** **Flat to up MSD**	***H1: flat*** ***H2: up LSD to MSD***

[1] All revenue outlook commentary expressed in percentages

Reaffirming 2019 Guidance (continued)

Capital Expenditures	**~$50M - $60M**
Tax Rate	**24% to 26%**
Year End Net Debt Leverage[1]	**1.5x to 1.7x**
Average Shares Outstanding[2]	**~208M**

[1] Excluding the impact of any potential M&A activity or share repurchases

[2] Represents the expectation of weighted average diluted shares outstanding for the balance of the year based on ending share count and share price as of 3/31/2019

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Appendix

Reconciliation of Net Income and Earnings per Share to Adjusted Net Income and Adjusted Earnings per Share

GARDNER DENVER HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF NET INCOME AND EARNINGS PER SHARE TO
ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE
(Dollars in millions, except per share amounts)
(Unaudited)

	For the Three Month Period Ended March 31, 2019	For the Three Month Period Ended March 31, 2018
Net Income	$ 47.1	$ 42.4
Basic Earnings Per Share (As Reported)	$ 0.23	$ 0.21
Diluted Earnings Per Share (As Reported)	$ 0.23	$ 0.20
Plus:		
Provision for income taxes	12.0	23.4
Amortization of acquisition related intangible assets	28.4	28.0
Restructuring and related business transformation costs	4.1	4.5
Acquisition related expenses and non-cash charges	1.6	4.6
Expenses related to public stock offerings	-	1.4
Establish public company financial reporting compliance	0.6	0.8
Stock-based compensation	9.3	2.7
Foreign currency transaction losses, net	3.1	2.6
Shareholder litigation settlement recoveries	(6.0)	(4.5)
Other adjustments	0.4	(0.7)
Minus:		
Income tax provision, as adjusted	21.3	24.5
Adjusted Net Income	$ 79.3	$ 80.7
Adjusted Basic Earnings Per Share	$ 0.39	$ 0.40
Adjusted Diluted Earnings Per Share[1]	$ 0.38	$ 0.38
Average shares outstanding:		
Basic, as reported	201.6	201.6
Diluted, as reported	207.7	209.9
Adjusted diluted[1]	207.7	209.9

[1] Adjusted diluted share count and adjusted diluted earnings per share include incremental dilutive shares, using the treasury stock method, which are added to average shares

Reconciliation of Net Income to Adjusted EBITDA and Adjusted Net Income and CFOA to Free Cash Flow

GARDNER DENVER HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA AND ADJUSTED NET INCOME AND CASH FLOWS - OPERATING ACTIVITIES TO FREE CASH FLOW
(Dollars in millions)
(Unaudited)

	For the Three Month Period Ended March 31, 2019	For the Three Month Period Ended March 31, 2018
Net Income	$ 47.1	$ 42.4
Plus:		
Interest expense	22.4	26.0
Provision for income taxes	12.0	23.4
Depreciation expense	14.1	14.1
Amortization expense	31.4	30.9
Restructuring and related business transformation costs	4.1	4.5
Acquisition related expenses and non-cash charges	1.6	4.6
Expenses related to public stock offerings	-	1.4
Establish public company financial reporting compliance	0.6	0.8
Stock-based compensation	9.3	2.7
Foreign currency transaction losses, net	3.1	2.6
Shareholder litigation settlement recoveries	(6.0)	(4.5)
Other adjustments	0.4	(0.7)
Adjusted EBITDA	$ 140.1	$ 148.2
Minus:		
Interest expense	22.4	26.0
Income tax provision, as adjusted	21.3	24.5
Depreciation expense	14.1	14.1
Amortization of non-acquisition related intangible assets	3.0	2.9
Adjusted Net Income	$ 79.3	$ 80.7
Free Cash Flow		
Cash flows - operating activities	$ 68.8	$ 60.2
Minus:		
Capital expenditures	14.1	10.1
Free Cash Flow	$ 54.7	$ 50.1

Reconciliation of Segment Adjusted EBITDA to Income/(Loss) Before Income Taxes

GARDNER DENVER HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF SEGMENT ADJUSTED EBITDA TO INCOME BEFORE INCOME TAXES
(Dollars in millions)
(Unaudited)

	For the Three Month Period Ended March 31, 2019	For the Three Month Period Ended March 31, 2018
Revenue		
Industrials	$ 318.1	$ 316.9
Energy	233.1	242.2
Medical	69.1	60.5
Total Revenue	$ 620.3	$ 619.6
Segment Adjusted EBITDA		
Industrials	$ 71.0	$ 66.8
Energy	60.0	68.0
Medical	20.0	15.9
Total Segment Adjusted EBITDA	$ 151.0	$ 150.7
Less items to reconcile Segment Adjusted EBITDA to Income Before Income Taxes:		
Corporate expenses not allocated to segments	$ 10.9	$ 2.5
Interest expense	22.4	26.0
Depreciation and amortization expense	45.5	45.0
Restructuring and related business transformation costs	4.1	4.5
Acquisition related expenses and non-cash charges	1.6	4.6
Expenses related to public stock offerings	-	1.4
Establish public company financial reporting compliance	0.6	0.8
Stock-based compensation	9.3	2.7
Foreign currency transaction losses, net	3.1	2.6
Shareholder litigation settlement recoveries	(6.0)	(4.5)
Other adjustments	0.4	(0.7)
Income Before Income Taxes	$ 59.1	$ 65.8

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