

Profitable Growth & High Return Investments

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VP and Chief Financial Officer



Manufacturing Plant | Busan, Korea | Opened 2016

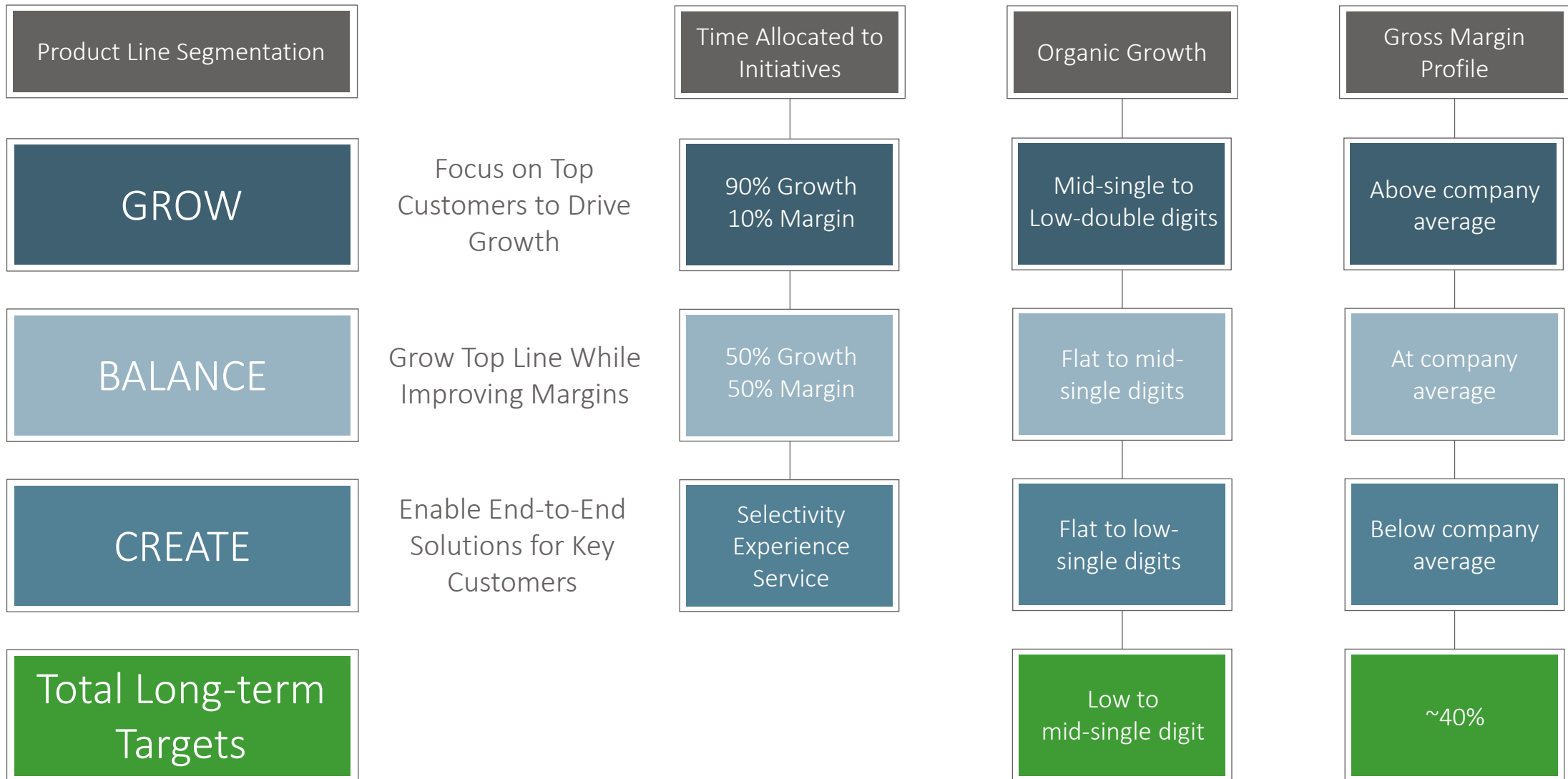
STRATEGIC DIRECTION – VALUE CREATION MODEL



Profitable Growth

- Higher Quality Revenue
- Optimize & Leverage Cost Structure
- Operational & Supply Chain Excellence

DELIVERING HIGHER QUALITY OF REVENUE



BUILDING A CULTURE OF PRODUCTIVITY AND PROFITABILITY

Reset and Reallocate Cost Structure to Support Profitable Growth

Productivity Playbook



Over-resource
differentiated
capabilities



Data-driven
approach 80/20



Zero-based
budgeting



Maximize cost
structure

Current Committed
SG&A Program

\$25m

cost productivity
annualized in
2022

Long-Term Mindset

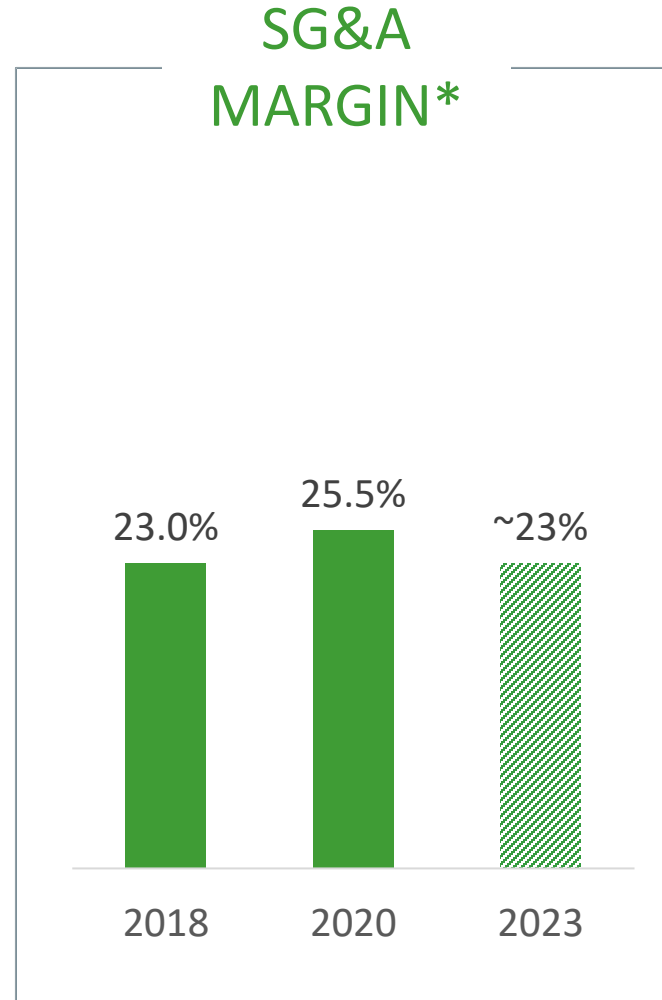
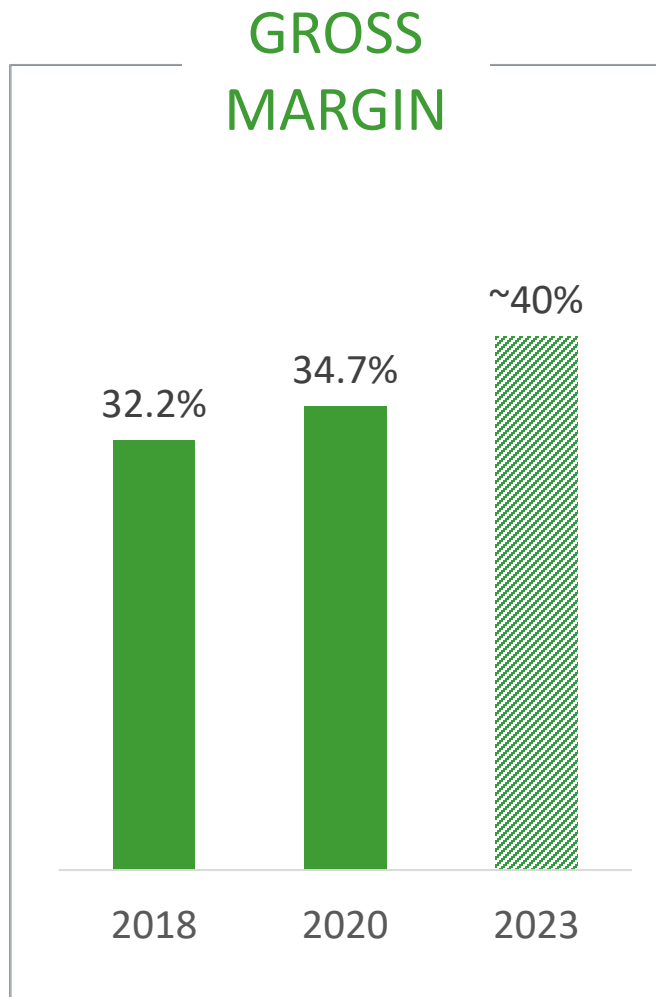
Simplification using
80/20 to eliminate low
value activities

Strategic sourcing
savings net of inflation

Offset SG&A inflation

PROGRESS MADE WITH MORE TO COME

Gross Margin Improved with Comprehensive Strategy to Achieve 40%



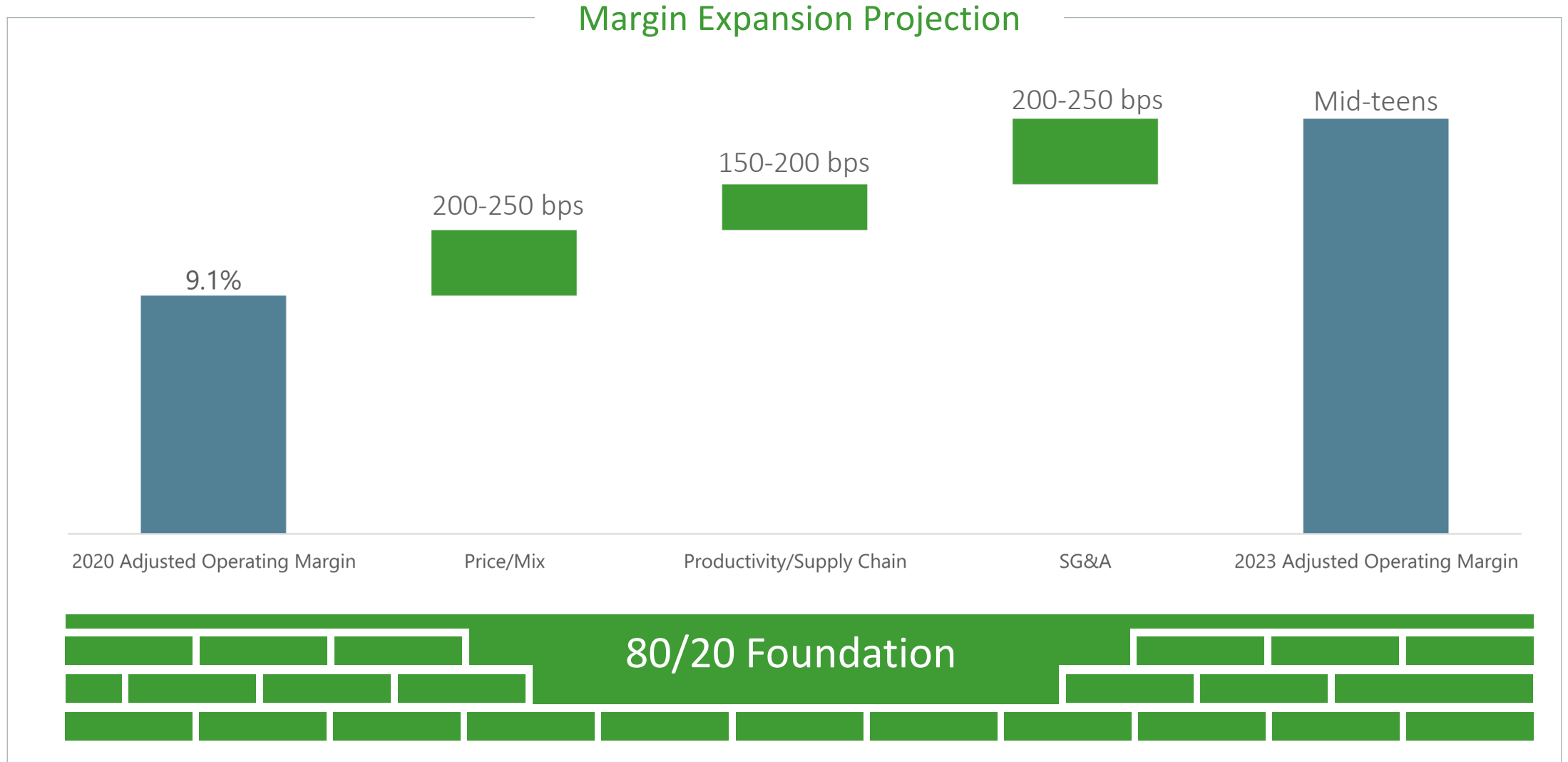
*Adjusted SG&A margins

- 1 Higher Quality of Revenue
- 2 Focus on Profitability and Cost Reduction
- 3 Operational & Supply Chain Excellence

In 2018 and 2020, revenues were \$1,594m and \$1,351m, respectively.

PATH TO IMPROVED OPERATING MARGIN

Strategy to Improved Margin Propelled by Cost Savings Initiatives



COMPOUNDING RETURNS DRIVEN BY VALUE CREATION MODEL

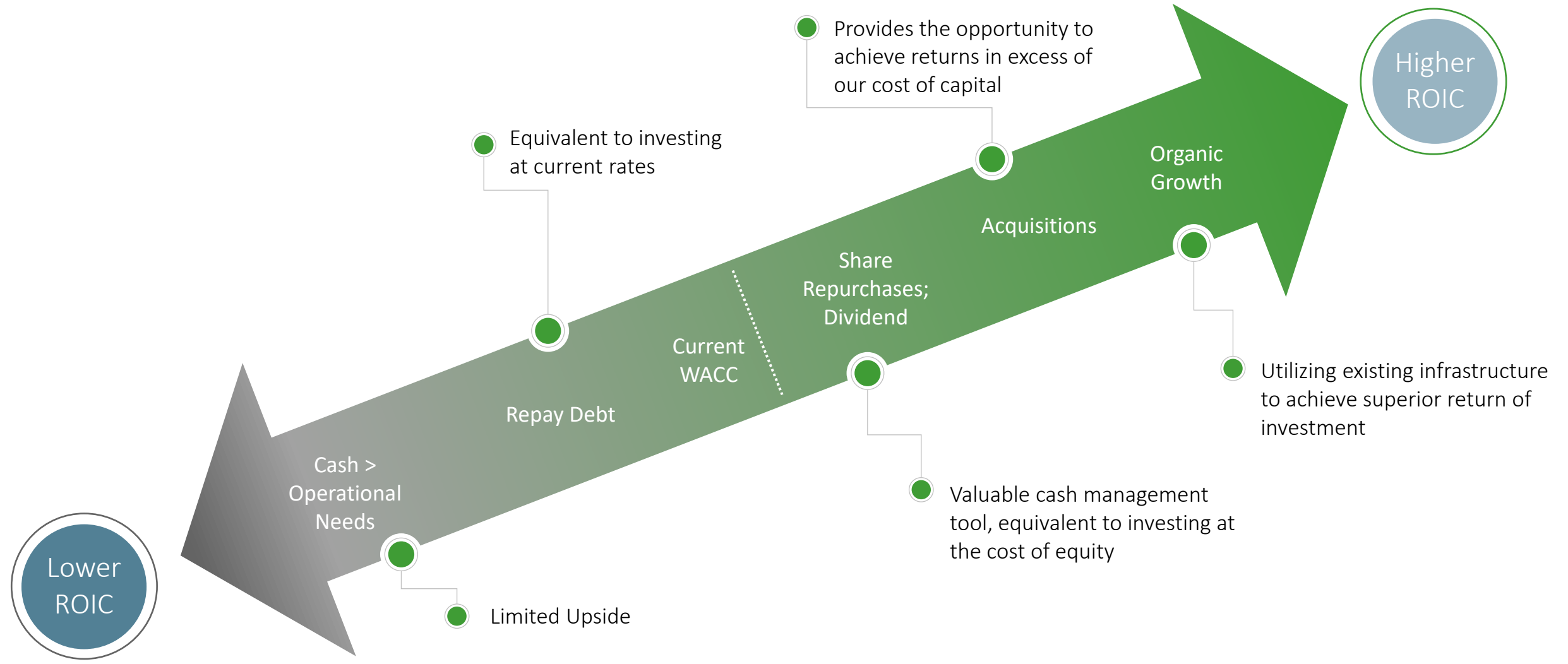


High-Return Investments

- Organic Investments
- Programmatic M&A
- Return of Capital

CLEAR FRAMEWORK FOR ALLOCATING CAPITAL

Maintain Financial Strength to Invest through All Cycles

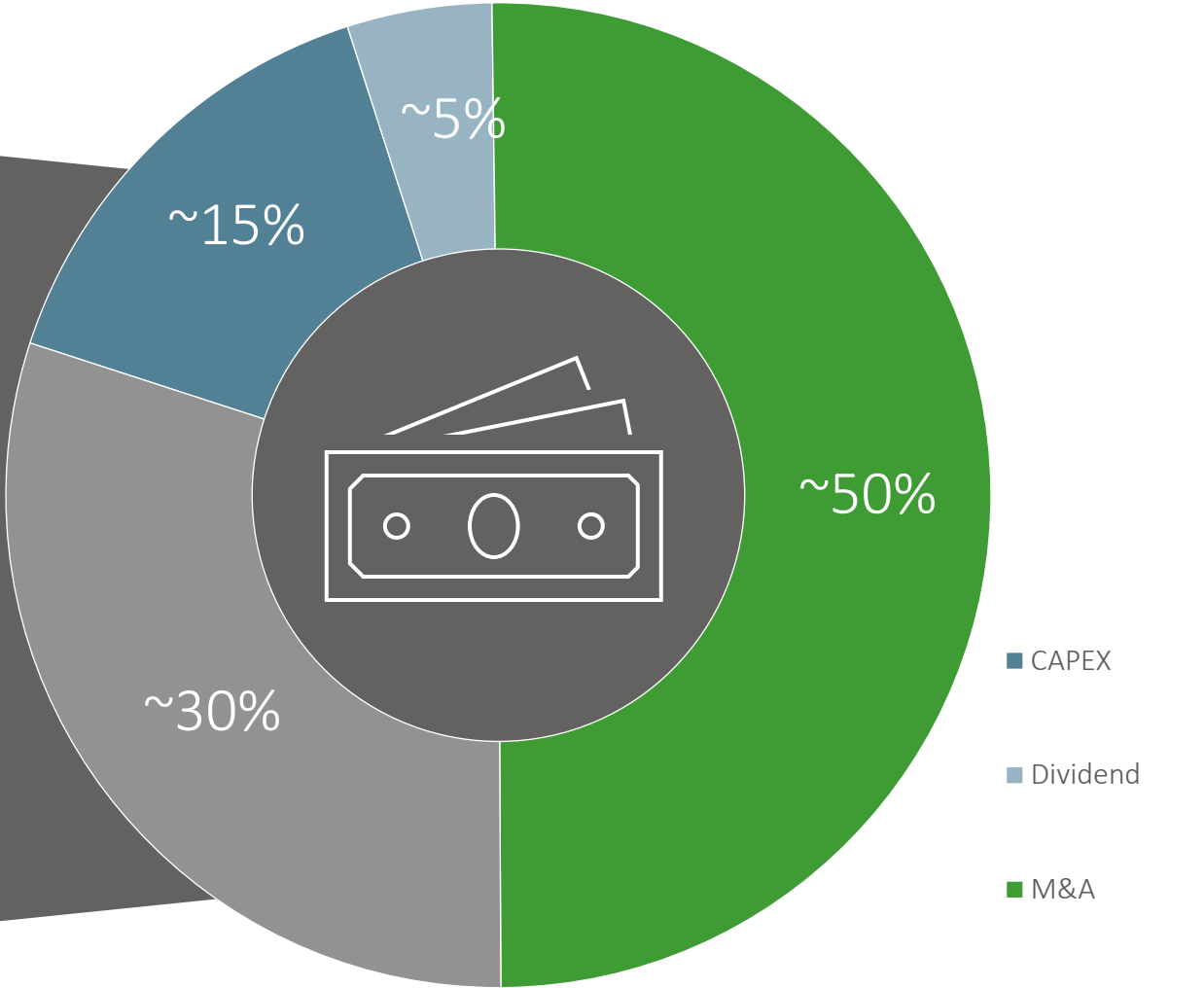


CAPITAL ALLOCATION FRAMEWORK: HIGH RETURN INVESTMENTS

~\$1.1b of Available Capital over the Next Three Years

Consistent Capital Allocation Priorities

- 1 Fully funded high returning organic growth initiatives for innovation
- 2 Programmatic M&A to strengthen core business in process solutions
- 3 Establish dividend, reflective of financial strength and reliability of cash flows
- 4 Available cash, including for share repurchases



Available capital defined as operating cash flows and debt funding in target net leverage range (1.5x – 2.5x) through 2023. See Appendix for more details.

ACQUISITION PLAYBOOK

Fragmented Market Provides Opportunities to Accelerate Growth Strategy through Programmatic M&A



Where we will play



Unique applications that require highly technical process engineering and/or integral products where quality is paramount



Verticals where growth is driven by secular trends



Value creation levers which enhance our ability to grow profitability and create cost advantages

Focus on mixing, blending, pumping and Ultra-high temperature processing

Nutrition

- Food & beverage
- Personal care
- Medical foods

Health

- Pharmaceuticals
- Healthcare
- Biotechnology

Industrial

- Specialty chemical
- Water
- Agriculture

Innovation,
technology & vitality

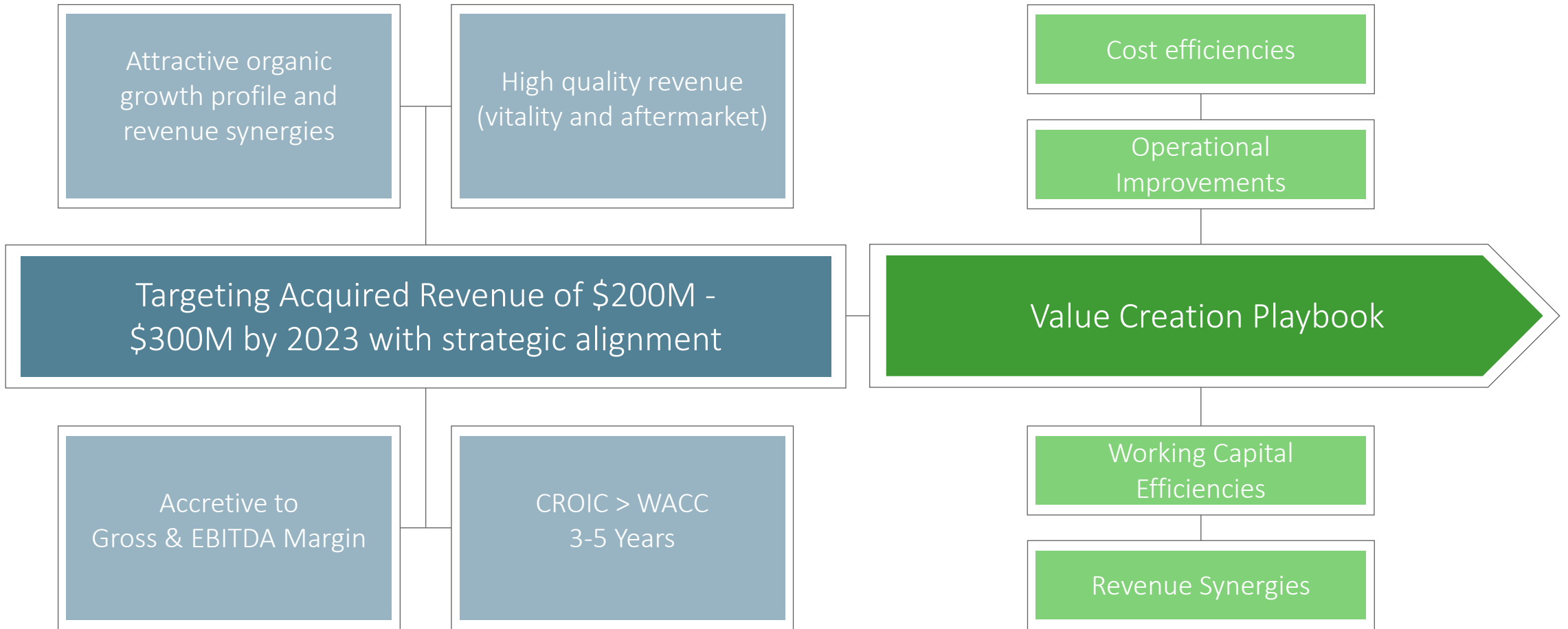
Market positioning

Geographic presence

Differentiated
product offering

M&A FINANCIAL CRITERIA AND VALUE CREATION

Disciplined Approach to M&A with Focus on Strategic Alignment and Clear Plans for Value Creation



DRIVING PROFITABLE GROWTH

Solid Revenue Growth with Accelerating Margins and Returns



Targeting Acquired Revenue of \$200M - \$300M by 2023



APPENDIX



FUTURE CAPITAL FOCUSED ON HIGH RETURN INVESTMENTS

Focused on Increasing High Return Organic Investments, While Preserving Capital Flexibility

3-Year Capital Deployment
2021-2023 Cumulative (\$ millions)

Capital Sources

Cash Flow From Operations	\$450 - \$550
Debt Funding (1.5x-2.5x net leverage)	<u>\$450 - \$700</u>
Available Capital	\$900 - 1,250

Capital Uses

Capex	\$120 - \$150
Dividends	\$45 - \$60
M&A	\$400 - \$600
Share Repurchases (Return of Excess Cash)	\$300 - \$450