

TIMKEN

Acquisition of Rollon Group

Building an Industry- Leading Linear Motion Platform

July 27, 2018



ROLLON®
Linear Evolution

TIMKEN

Stronger. By Design.

Forward-Looking Statements Safe Harbor

Certain statements in this presentation (including statements regarding the company's estimates and expectations) that are not historical in nature are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, the statements regarding the company's expectations regarding sales, accretion, sales and cost synergies and the expected market opportunities are forward-looking, including the information under the headings, "A Transaction Aligned with Timken's Strategic Priorities", "Introduction to Rollon Group", "Rollon Group Positions Us Well to Achieve Enhanced Growth and Margins" and "In Summary: Rollon Group is a Highly Compelling Transaction."

The company cautions that actual results may differ materially from those projected or implied in forward-looking statements due to a variety of important factors, including: the inability to complete the acquisition due to either the failure to satisfy any condition to the closing of the transaction, including receipt of regulatory approval, or the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement; the inability to successfully integrate the newly acquired business into the company's operations or achieve the expected synergies associated with the acquisition; and adverse changes in the markets served by the newly acquired business. Additional factors are discussed in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended Dec. 31, 2017, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

A Transaction Aligned with Timken's Strategic Priorities

Transaction Details

- Acquiring Rollon Group, a leader in engineered linear motion products serving high-growth markets
- Closing expected near the end of September 2018⁽¹⁾

Expected Financial Results

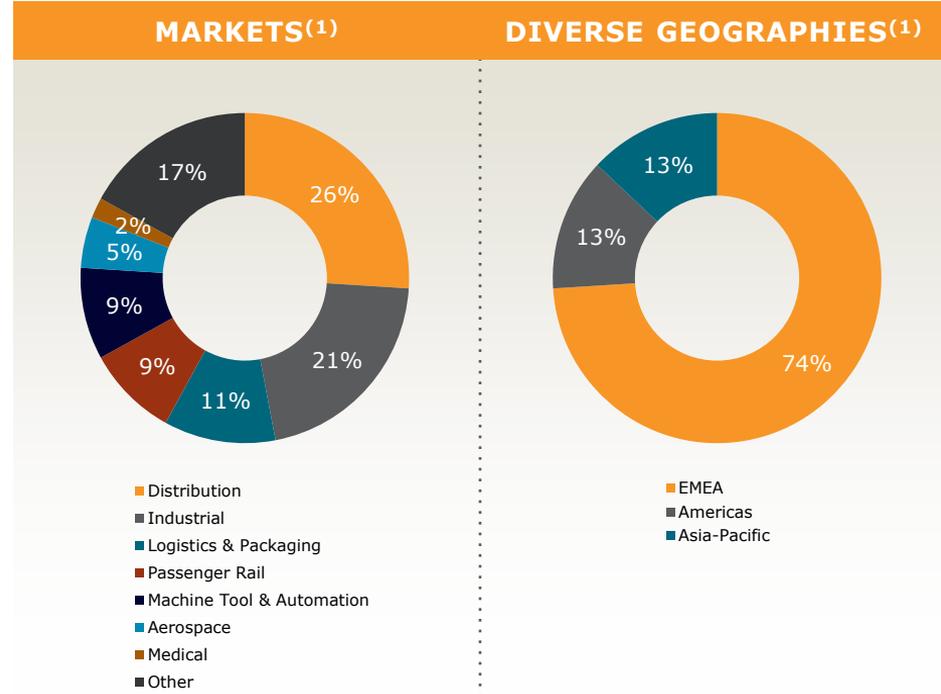
- Results to be included in both Process Industries and Mobile Industries segments (80/20 approximate split)
- Estimated full year 2018 sales of around \$140M; EBITDA margins ~30%, well above Timken average
- Expected run-rate synergies of >\$10M
- Accretive to adj. EPS in first full year of ownership⁽²⁾

Financing

- Stock acquisition
- To be funded with debt

Introduction to Rollon Group

- Established in 1975; headquartered near Milan, Italy
- Manufacturing operations in Italy, Germany and the U.S., with global sales and engineering network
 - ~600 employees
- A leader in engineered linear motion products, including linear guides, telescopic rails and linear actuators
- Growth opportunities in sizeable, attractive markets such as passenger rail, aerospace, packaging & logistics, medical and automation
- Highly differentiated product design and sales model; driving share gains and market outgrowth
- Diverse and fragmented global customer base
- Strong management team



Timken M&A Strategy: Rollon Group a Great Fit

Existing Portfolio **+** Industrial Bearings **+** Adjacent Products **=** Stronger. Together.

DELIVER FINANCIAL VALUE

Discipline & Returns

Maintain financial discipline & deliver returns

- ROIC – earn the cost of capital by Year 3
- EPS – accretive in Year 1
- Improve mix – margins & growth

STRENGTHEN THE COMPANY'S STRATEGIC POSITION

Customer Reach

Customers, channels, markets & geography

Cost

Scale, operational excellence & business capabilities

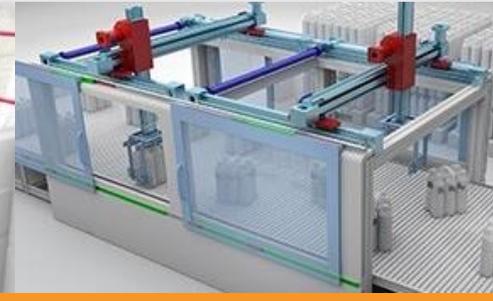
Mix

Growth, technology, margins, diversity & cyclicity

Talent

Leverage existing & add new

Rollon Group Positions Us Well to Achieve Enhanced Growth and Margins



Establishes a meaningful position in linear motion space; strong business with standalone scale and proven track record of outgrowth

Strengthens our position in attractive high-growth markets, including passenger rail, aerospace, packaging & logistics, medical and automation

Brings expertise in linear motion technology with differentiated business model and customized engineered solutions

Enhances growth profile and profit mix given higher margin business and compelling growth prospects; expected to expand Timken EBITDA margins ~50 bps

Expected strong synergies – revenue and cost; run-rate synergies of >\$10M expected

Highly Engineered Linear Motion Products & Systems

ROLLON
LinearEvolution

LINEAR



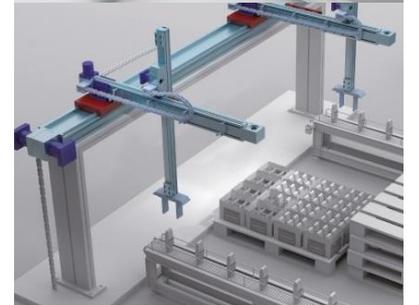
ACTUATORS



TELESCOPIC



SYSTEMS



TIMKEN

In Summary: Rollon Group is a Highly Compelling Transaction

- Rollon Group is a leader in engineered linear motion products serving high-growth markets
- Acquisition aligned with our M&A strategy and financial criteria
 - Establishes position in linear motion space
 - Strengthens our position in attractive growth markets and geographies
 - Clearly identified revenue and cost synergies
 - Enhances profit mix; expected to expand Timken EBITDA margins by ~50 bps
 - Accretive to adj. EPS in first full year⁽¹⁾; expected to earn cost of capital by Year 4
- Dedicated team established to lead integration; committed to achieving revenue and cost synergies
- Building on strong track record of acquiring good businesses in attractive adjacencies and creating value