SOHN CONFERENCE | LONDON

30th November 2017

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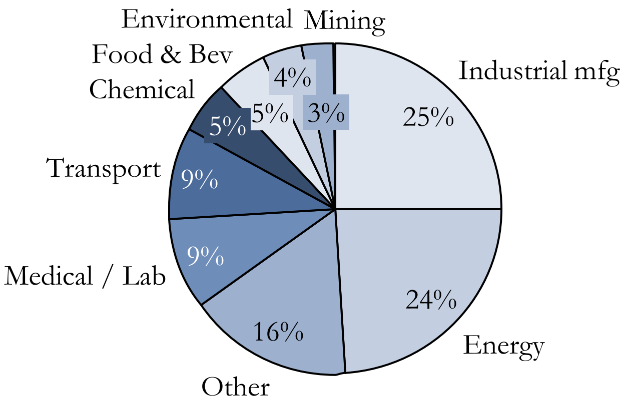
Agenda

1. **Company Overview**
2. Investment Thesis
3. Valuation
4. Risks & Mitigants
5. Appendix

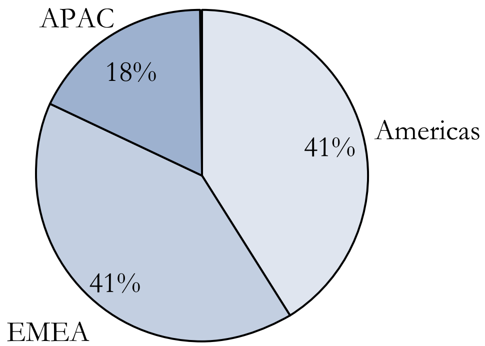
Overview of Gardner Denver ("GDI")

- Global manufacturer of mission critical flow control and compression equipment (~60% of revenues) and aftermarket support (~40% of revenues, recurrent revenue stream)
- Multiple end-markets that are highly specialized, function in harsh conditions and where cost of failure/ downtime is very high
- Global scale with 37 manufacturing facilities, ~30 service and repair centres and ~6,200 employees
- Taken private by KKR in 2013, restructured, and IPO-ed in May 2017 in an all primary sale
- As of today, KKR retains a 61% stake

Revenues by End Market (%)



Revenues by Geographies (%)



Source: Company filings

Overview of Gardner Denver ("GDI") *(cont'd)*

- Top 3 market share in each of its product categories: one of the broadest ranges of compressors, pumps, vacuums and blowers
- Products represent only a small portion of the overall cost of the system; therefore customers are less price-sensitive and place much higher value on GDI's expertise
- Strong recurring aftermarket revenue stream:
  - Energy market - fluid ends (key aftermarket parts in fracking) are typically 30% of the cost of the pump and need to be replaced 4 times a year, with cumulative aftermarket revenues 5x the original cost
  - Industrial market - the cumulative aftermarket revenue of a compressor exceeds the original cost

COMPRESSORS

BLOWERS

VACUUMS

HIGH PRESSURE

INDUSTRIAL PDTS

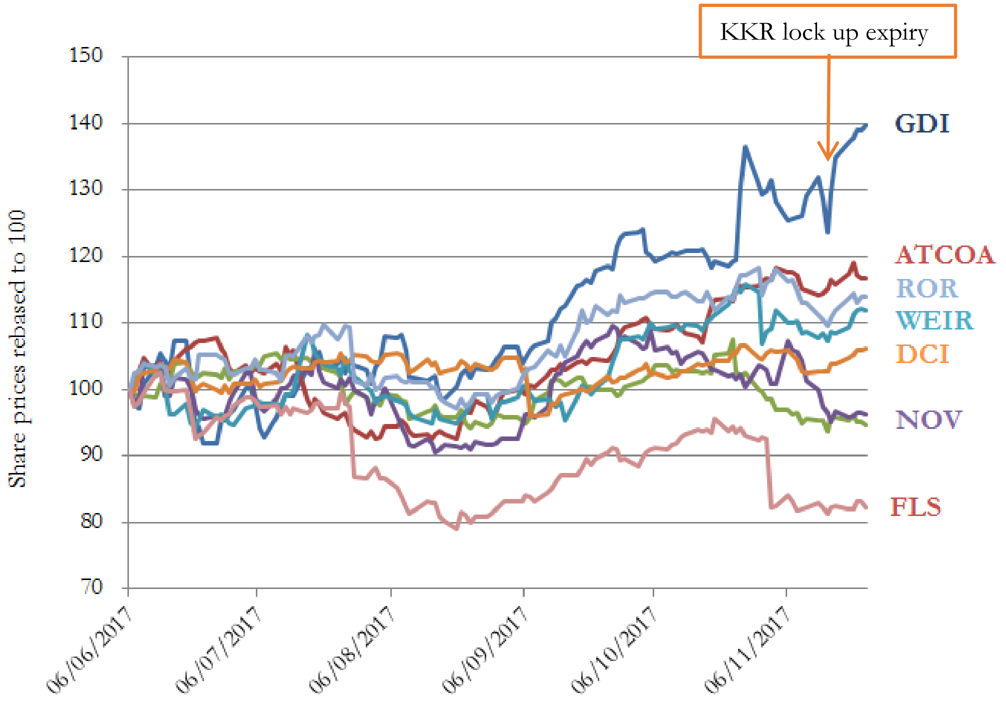
Source: Company filings

Gardner Denver today

Market Capitalization ($m)	
Share Price ($)	31.1
Share Price H / L ($)	31.1 / 20.0
Shares Out.	196
Market Cap ($m)	**6,096**
- Cash ($m)	303
+ Total Debt ($m)	2,028
= Total EV ($m)	**7,821**
ROIC	16%

Valuation	2018	2019
TEV/EBITDA	12.5x	11.8x
P/E Ratio	20.5x	18.2x
Price / CF	19.8x	14.5x
Dividend Yield	-	-

Share price performance vs peers since IPO



Source: Bloomberg, 24th November, 2017

GDI major transformation during private equity ownership

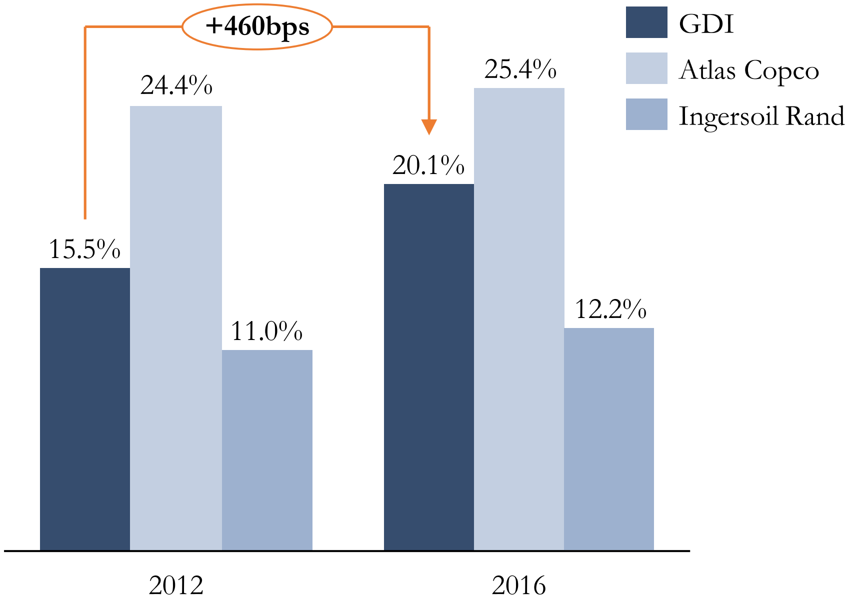
- Transformed from a cyclical pump manufacturer to a full service solution provider with large recurrent aftermarket revenue stream

- Cyclicality of the business was significantly reduced:
  - Aftermarket exposure increased from 26% to 40%
  - Energy exposure reduced from 40% to 24%

- Business was significantly restructured:
  - Product mix expanded to higher margin SKUs
  - Redundant capacity was reduced and automated CAPEX was added - reducing labour hours
  - Reduced corporate costs by ~52%

- **As a result, Total "Adjusted EBITDA" margin expanded 620bps between 2014 and 2016**

+460bps "Industrial EBITDA" margin expansion despite revenue decline. Peers expanded by 100bps



Source: company filings, broker reports

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Investment thesis

1. Benefitting from the early innings of a cyclical industrial and energy recovery
2. Favourable secular industry trends driving increased demand for GDI product and services
3. Further margin expansion potential
4. Balance sheet de-levering and dividend potential
5. Improved Free Cash Flow conversion to narrow valuation discount
6. Spin-off of Medical Division could unlock further value
7. Strong management team, laser focused on operational efficiencies

1 Benefitting from the early innings of a cyclical recovery

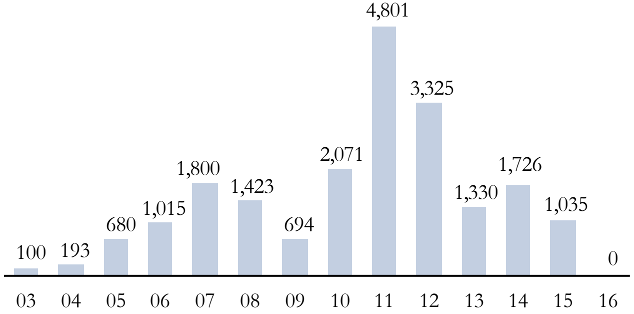
- Investors still plagued with the trauma from the severe energy downturn and industrial recession over the past few years
- Investors psychologically anchored to GDI's issues experienced during the downturn, underappreciating GDI's transformation

- GDI is most levered to this recovery as the pump business is the first major OFS market to recover:
  - Pent up demand for pumps driven by unusually low number of orders in 2015/16 and large replacement backlog from the 2011/12 vintage be replaced
  - 65% of horsepower beyond its useful life, with the intensity of pumps increased 2x more than before due

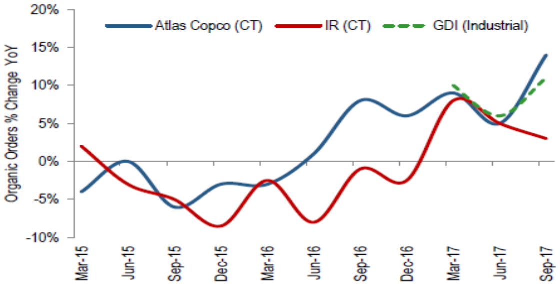
- 95% of GDI's upstream energy revenues comes from frac pumps
  - Of this, 80% is aftermarket, for which the driver is intensity of usage (number of frac stages) rather than number of rigs in service
  - Management believes the number of frac stages in 2018 will further increase by 15%-20%

Aging frac installed base due for an upgrade

North America horsepower additions



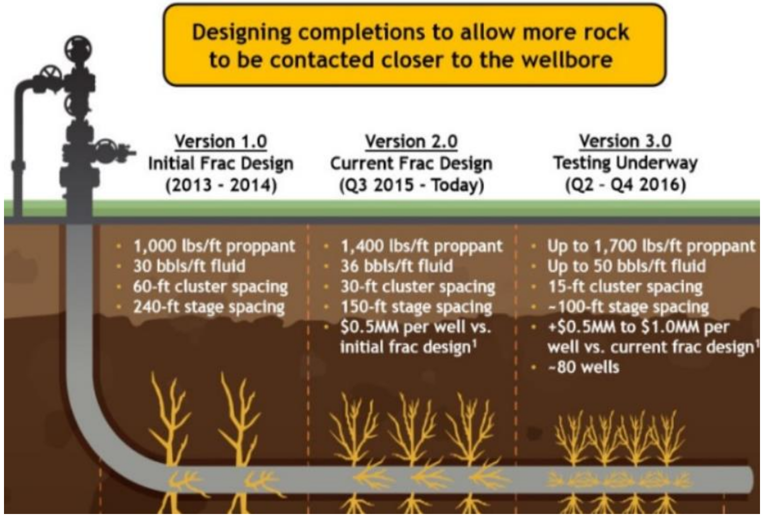
Solid order recovery among industrial peers



Source: Credit Suisse

2 Favourable secular industry trends driving increased demand

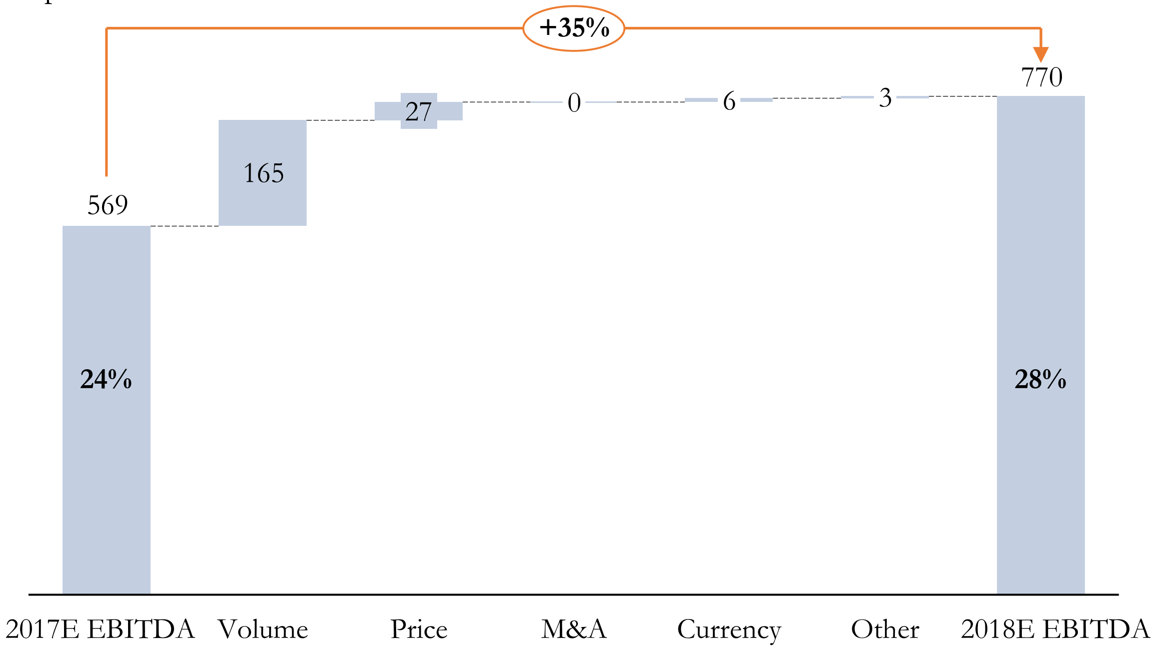
- GDI's revenue mix is permanently shifting to higher levels of higher margin aftermarket business, while substantially decreasing its correlation to rig count
- Both the number and intensity of wells are structurally increasing, with each active rig drilling more unconventional wells per unit of time, with longer laterals and more frac stages per lateral:
  - Typical pump now runs 2,500 hours per year vs 1,800 in 2014
  - Laterals are now ~2x longer, with 2x more proppants pushed
  - Number of stages in the process has doubled
- As a result, there is structurally greater demand for highly engineered frac pumps and the frequently replaced aftermarket parts (fluid ends)
- WTI would need to be sustainably below $45/bbl before producers start reducing current spending budgets



Source: PXD Company presentation

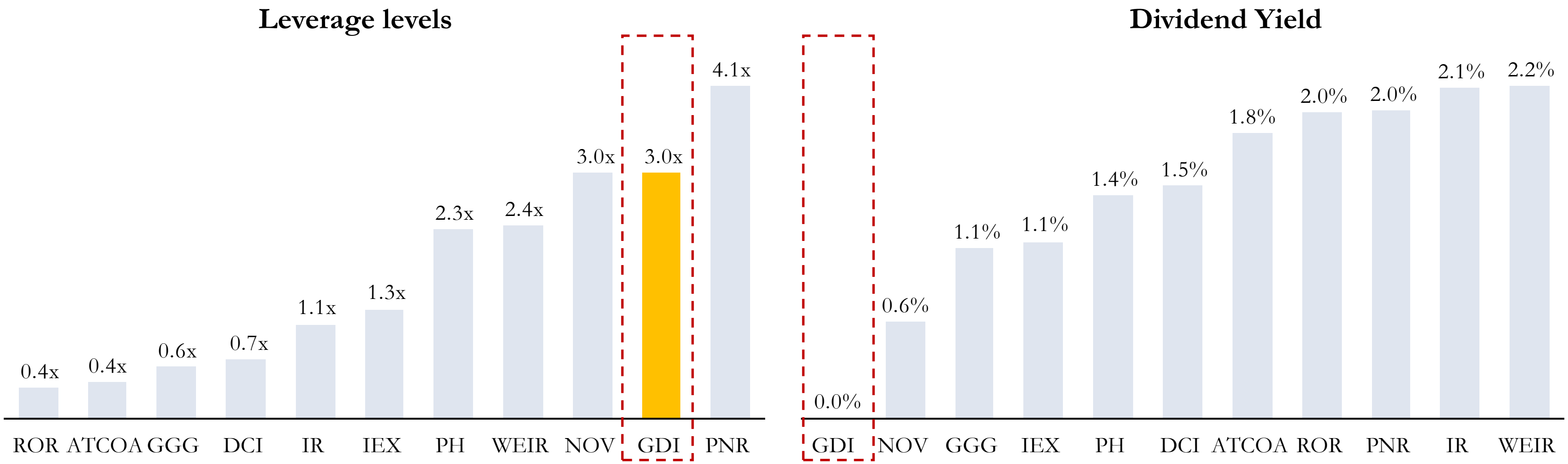
3 Further margin expansion potential

- Consensus is not taking into account operating leverage and better procurement and is only modelling 60bps EBITDA margin expansion in 2018
- EBITDA expanded by 400bps in 2017 and could easily expand by another 400bps in 2018, driven primarily by volume leverage and better procurement



4 Balance sheet de-levering and dividend potential

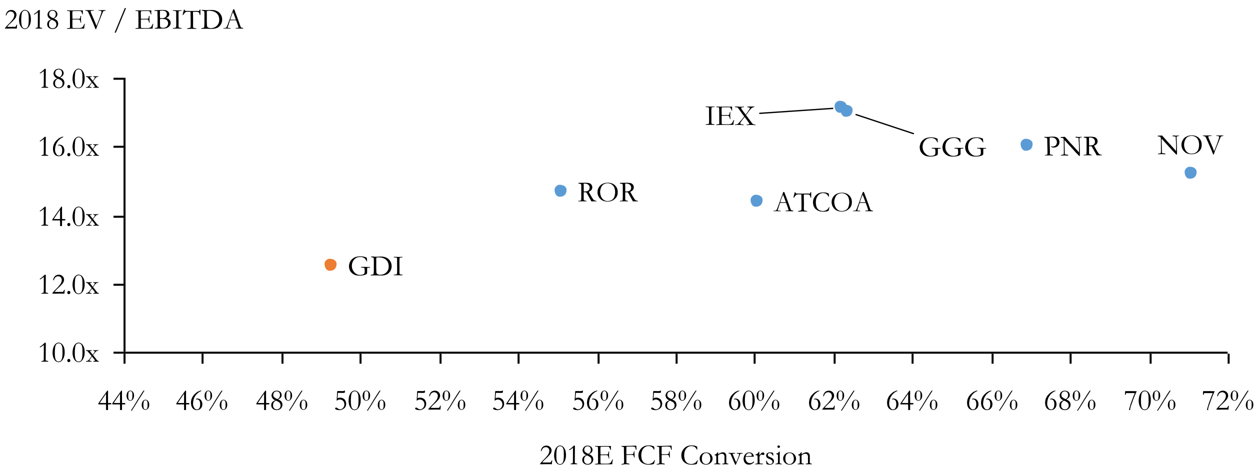
- Debt pay down is GDI's main priority for capital allocation
- Company has already de-levered from 6.0x pre-IPO to 4.3x at IPO and on track to get to <3.0x in 2018 - in line with peers
- There is currently no explicit plan to issue a dividend; however, once GDI achieves its target leverage, it is conceivable that management would initiate a dividend program, similar to the one in place prior to KKR and in line with peers



Source: Bloomberg, 24th November, 2017

5 Improved Free Cash Flow conversion to narrow valuation discount

- Cash conversion is a clear priority: CEO noted the 2018 incentive plans is likely to include a FCF conversion metric
- Lower FCF conversion of ~50% vs ~60 - 70% for peers could explain the valuation discount, which could narrow, driven by:
  - **Lower restructuring charges**: expected to fall from $80m in 2016 to $15-20m in 2018
  - **CAPEX discipline**: expected to fall to 2-3% of sales, from 4% of sales currently
  - **WC improvement:** on track to fall from ~32% in 2016 to < 30% in 2018; could reach the peer average of mid-20%
  - **Delevering:** Net Debt / EBITDA target < 3x



Source: Bloomberg, 24th November, 2017

6 Spin-off of Medical Division could unlock further value

- GDI's Medical Division holds the #1 position globally in medical gas pumps (~25% share), but only 3% share in liquid pumps, as it has only recently entered this market

- While not explicitly discussed, recent industry trends suggest GDI could also spin-off unrelated businesses:
  - **Ingersoll-Rand** was under pressure in 2013 from activist Trian Partners to spin-off its Industrial segment
  - **Atlas Copco** announced in 2017 it will split into two, with compressor and vacuum businesses in the RemainCo
  - **Hitachi** announced in 2017 it is acquiring the Sullair air compressor business from Accudyne

- Spinning-off the Medical Division could unlock significant value:
  - GDI Medical closest peer, IEX, trades at 40% premium to GDI

7 Strong management team, laser focused on operational efficiencies

- During KKR ownership, management delayered multiple levels of reporting
- Half of today's top 100 managers have been hired since 2013
- Highly experienced management team with 23 years of experience on average

Vicente Reynal, CEO

✓ Joined GDI in May 2015

✓ Previous experience: Danaher (11 years), Thermo Fisher, Honeywell

Philip Herndon, CFO

✓ Joined GDI in Oct 2016

✓ Previous experience: Capital Safety (3 years), Sealed Air Corp, Diversey

Enrique Miñarro Viseras, Vice President and General Manager Industrials, EMEA

✓ Joined GDI in May 2016

✓ Previous experience: Emerson (15 years)

Source: Company filings

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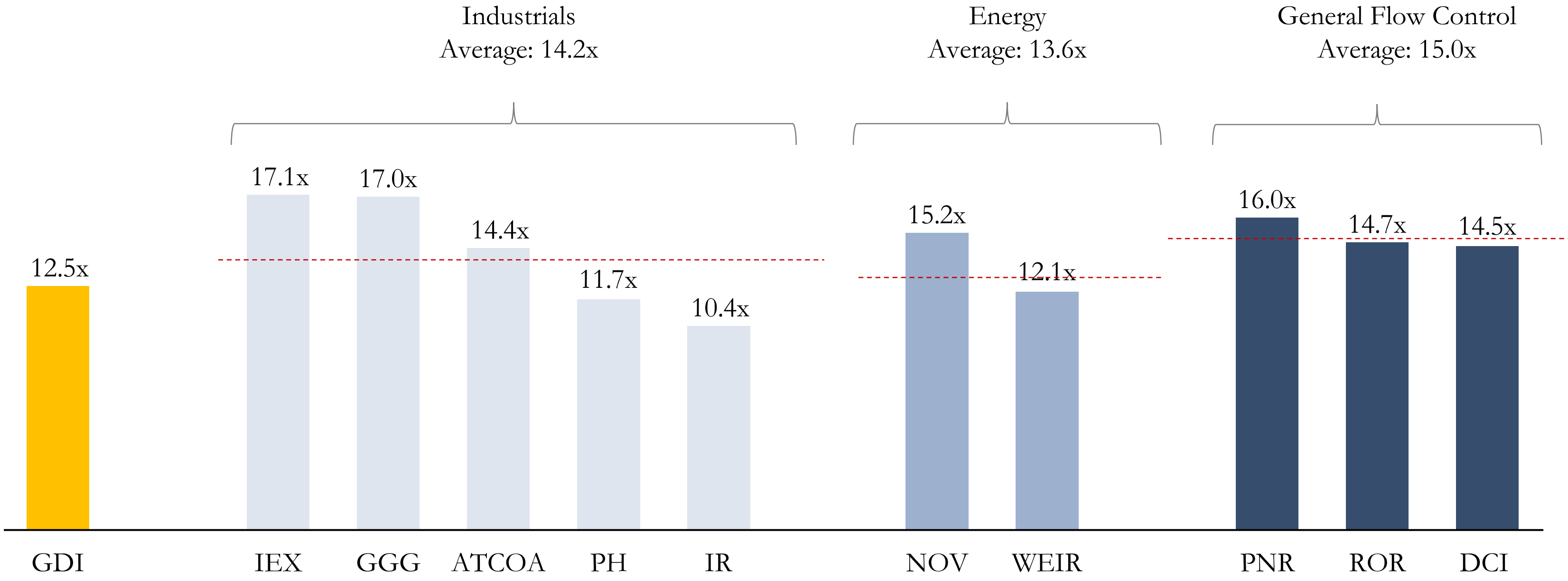
Comparables

- Market is not giving any credit to GDI's major transformation as the stock is currently trading at a roughly 10% discount to its peers – same discount it traded prior to its major restructuring

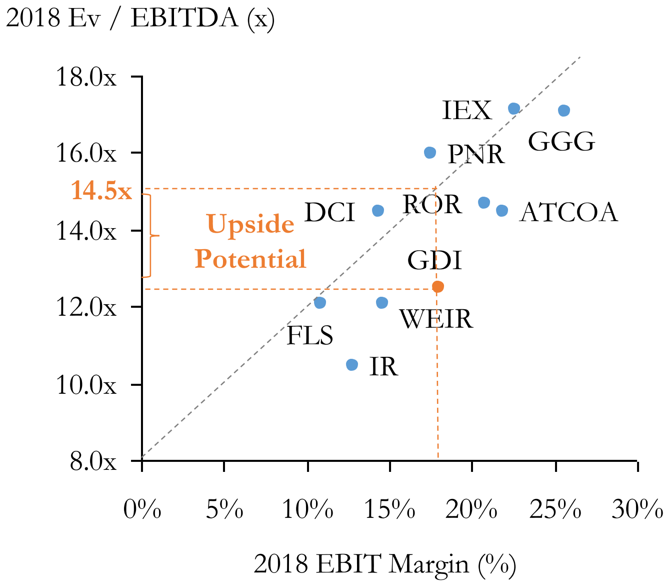


Source: Bloomberg, 24th November, 2017

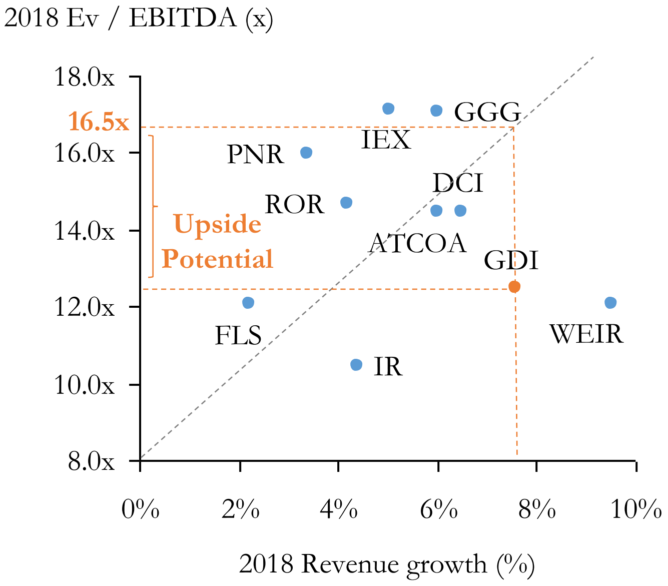
Stock seems undervalued based on growth profile and margins

- GDI margins and growth profile are in line with higher-trading peers
- However, GDI is trading in line with lower margin / lower growth peers, implying a 2 – 4 turns of potential multiple re-rating

Margin vs. EV/EBITDA



Growth vs. EV/EBITDA



Source: Bloomberg, 24th November, 2017

SOTP shows ~80% upside potential

	2016A	2017E		Sales CAGR (%)			2018E Sales ($m)		
Sales	**Sales**	**Sales**	***YoY g%***	**Bear**	**Base**	**Bull**	**Bear**	**Base**	**Bull**
Oil price				< $50	$45-55	> $60			
Industrials	1,082	1,121	*4%*	0%	4%	5%	1,121	1,212	1,236
Energy	628	1,017	*62%*	5%	8%	12%	1,121	1,186	1,276
Medical	229	231	*1%*	0%	2%	3%	231	240	245
Total sales	**1,939**	**2,369**		**2%**	**6%**	**8%**	**2,473**	**2,639**	**2,757**
Consensus Sales								*2,548*	
Adj EBTIDA	**2016E**	**2017E**	*margin %*	**EBITDA margin (%)**			**2018E EBITDA ($m)**		
Industrials	218	257	*23%*	20%	24%	28%	224	291	346
Energy	144	269	*26%*	24%	30%	30%	269	356	383
Medical	62	63	*27%*	24%	27%	28%	55	65	69
Corporate	- 23	- 20	*-1%*	-1%	-1%	-1%	- 25	- 26	- 28
Total EBITDA	**401**	**569**	***24%***	**21%**	**26%**	**28%**	**524**	**685**	**770**
Consensus EBITDA		*569*			*25%*			*627*	
2018 EV / EBITDA							**12.5x**	**14.5x**	**16.5x**
Enterprise Value							**6,550**	**9,938**	**12,702**
Net Debt (LTM)							1,725	1,725	1,725
Implied market cap							**4,825**	**8,213**	**10,977**
Implied share price							**24**	**41**	**55**
Upside from current share price (24th Nov 2017)							**-22%**	**32%**	**77%**

Based on margins regression

Based on growth regression

Risks & Mitigants

Risks	Mitigants
Prolonged downturn in oil and operating leverage could be a significant headwind to future profitability	GDI has increased reliance to aftermarket (~40%), demand from which is structurally driven by higher well intensity
Legacy views / prior trauma could keep investors on the side-line	Robust economic data, coupled with a few more quarters of "beat & raise" earnings momentum and additional cash flow generation should mitigate such concerns
Competitive pressures in the Medical Division could keep a lid on valuation	While not discussed at this point, a potential spin-off of the Medical division could unlock value as closest peers trade at a significant premium
KKR lock up expiry in November 2017	Lock up expiry should be viewed positively, as it will create liquidity in the stock – GDI is up 13% since KKR sold 15% of its stake in a block sale on 15th Nov

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Comparables

Name	Price	YTD % change	Market Cap	EV	2018 EV/ EBITDA	2019 EV/ EBITDA	2018 P/E	2019 P/E	FCF yield	Price / Book
GARDNER DENVER	**31.1**	**na**	**6,104**	**7,829**	**12.5**	**11.8**	**20.5**	**18.2**	**-**	**4.8**
Industrials										
ATLAS COPCO	368.5	33%	438,284	450,888	14.4	**13.6**	23.3	**21.5**	**4.5**	8.2
GRACO	130.7	57%	7,336	7,598	17.0	**15.7**	27.2	**24.9**	**3.8**	10.2
IDEX	130.7	45%	9,985	10,764	17.1	**16.1**	28.0	**25.9**	**3.8**	5.5
PARKER HANNIFIN	183.3	31%	24,418	29,364	11.7	**10.9**	18.5	**17.4**	**4.8**	4.4
INGERSOLL-RAND	84.2	12%	21,046	23,402	10.4	**9.8**	16.3	**14.8**	**5.1**	3.1
					14.2	**13.2**	22.7	**20.9**	**4.4**	6.3
Energy										
NATIONAL OILWELL VARCO	31.9	-15%	12,104	13,910	15.2	**10.2**	111.8	**28.5**	**3.9**	0.9
WEIR GROUP	25.4	8%	4,556	5,391	12.1	**10.8**	21.1	**18.7**	**1.8**	3.4
					13.6	**10.5**	**66.5**	**23.6**	**2.8**	**2.1**
General flow control										
PENTAIR	69.2	23%	12,559	16,600	16.0	**15.1**	17.8	**16.2**	**4.7**	2.5
ROTORK	3.3	9%	2,289	2,344	14.7	**13.7**	28.1	**25.7**	**4.4**	5.0
DONALDSON	48.0	14%	6,234	6,537	14.5	**13.8**	25.1	**22.5**	**3.9**	7.4
					15.0	**14.2**	**23.7**	**21.5**	**4.3**	**5.0**

Source: Bloomberg, 24th November, 2017

Primary research findings (GLG network)

Former Industry Executive, with direct responsibility for purchasing Gardner Denver and competitor pumps for the energy market

- "Gardner Denver makes an awful good pump"
- Been around forever, it's a premium brand and well recognized, with strong brand loyalty
- Once an engineer makes the initial purchase of a specific brand, they tend to stick with the same brand for the aftermarket
- Up until recently they didn't have any service centers in West Texas - if something broke, it had to be sent back to the manufacturing facility – this was frustrating as it took extra downtime time
- Weir took market share from GDI in the mid-2000s due to this lack of customer support
- GDI has changed a lot in the last 4-5 years – they have significantly improved service and have added a lot of local support
- With that, they seem to be very well positioned to take back their lost market share now

Market

- Market turned over the last 9 months, and now demand is greater than supply
- Horsepower is back to 14-16m, up from 6-8m in the downturn, but is still below the cyclical peak of 20m
- Overall sentiment is that people are still cautious, but reasonably optimistic about next years

Former industry executive responsible for Gardner Denver standard and aftermarket products for the industrials, O&G, Mining sector

- GDI was one of the pioneers of vacuum pumps
- It is a very well recognized, premium brand
- Customers put greater value on the reliability of the product, and are therefore less price sensitive
- GDI has greater pricing power than the smaller players, as is able to deliver products quicker, reducing downtime
- GDI benefits the most in an upturn, but less so in a downturn, when customers become more price sensitive
- But GDI is very diversified, with different products benefitting for the different stages of the cycle
- GDI introduced a lot of lean manufacturing since the restructuring
- Invested a lot in aftermarket; it is well positioned to retain customers and maintain / increase market share

Recent trading activity, management and investor commentary

- **Both Q2 and Q3 trading are supporting the accelerated momentum from the cyclical recovery:**
  - In Energy, orders were up 46% in Q3 yoy and upstream orders were up 250% yoy
  - In Industrials, order strength was broad based across end markets, with momentum gaining in Asia and North America, both posting DD increase, and Europe (HSD)
  - This, coupled with acceleration in US Industrial IP (first positive growth since Q1 2015), should lead to analyst upgrades, who are projecting only flat to LSD industrial growth, as they are psychologically anchored to the recent industrial downturn

- At a recent conference, DOV CEO, Bob Livingston, commented:
- *"But it was quite interesting that even with the increase in well completion activity in the first quarter, the well drilling activity was still so strong that at the end of the second - at the end of the first quarter, the backlog of drilled but uncompleted wells was at a record high here in the U.S. I think the number was 5,200 drilled but uncompleted wells.' These drilled, but uncompleted wells should provide downside risk support to the top-line estimates of companies that focus on the* ***'completions' process, like GDI."***

- Investors are still skeptical, as seen by a recent Barclays industry conference:
- *"There was a 'we've heard this one before' look from many investors when discussing the tightening U.S. land pressure pumping market"*
- *"We sensed many investors were "sniffing around", but don't seem convinced on the timing"*