



Donaldson®  
FILTRATION SOLUTIONS

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# Gabelli Annual Automotive Aftermarket Symposium

*Tod Carpenter*

*President and Chief Executive Officer*

# Safe Harbor Statement

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*This presentation includes forward-looking statements which reflect the Company's current views with respect to future events and financial performance, but involve uncertainties that could significantly impact results.*

# Donaldson Company

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We are a filtration company

- Technology leader in our markets
- Diversified portfolio of global businesses



# Why Customers Want Our Technology

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- Technology Advantages
  - Higher efficiency
  - Small system size
  - Longer filter life
  - Reduced operating and maintenance costs
- Better Aftermarket Retention

# Diversified Product Assortment: Engine

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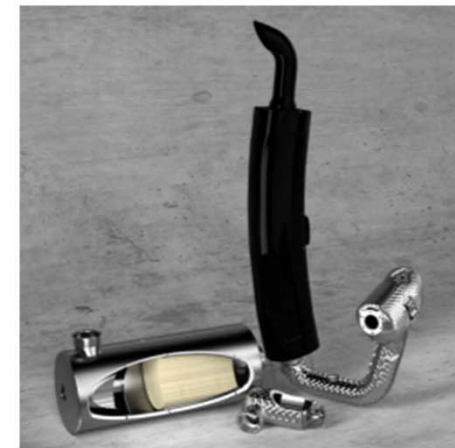


Liquid Filters



Air Filters

Exhaust & Emission  
Products



# Diversified Product Assortment: Industrial

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Industrial Filtration Systems



Gas turbine filters

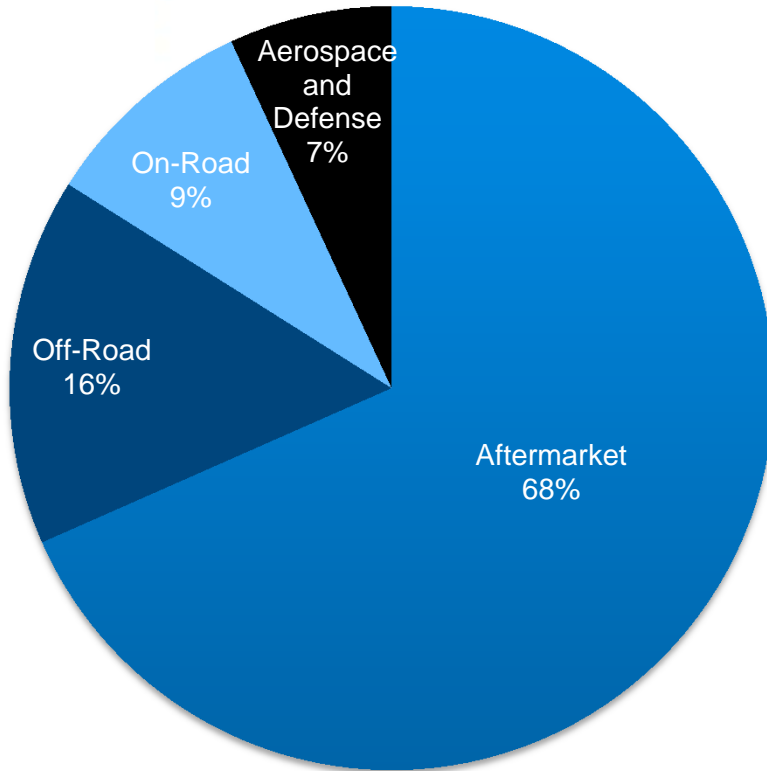


Special Applications

# FY 2016 Sales Composition

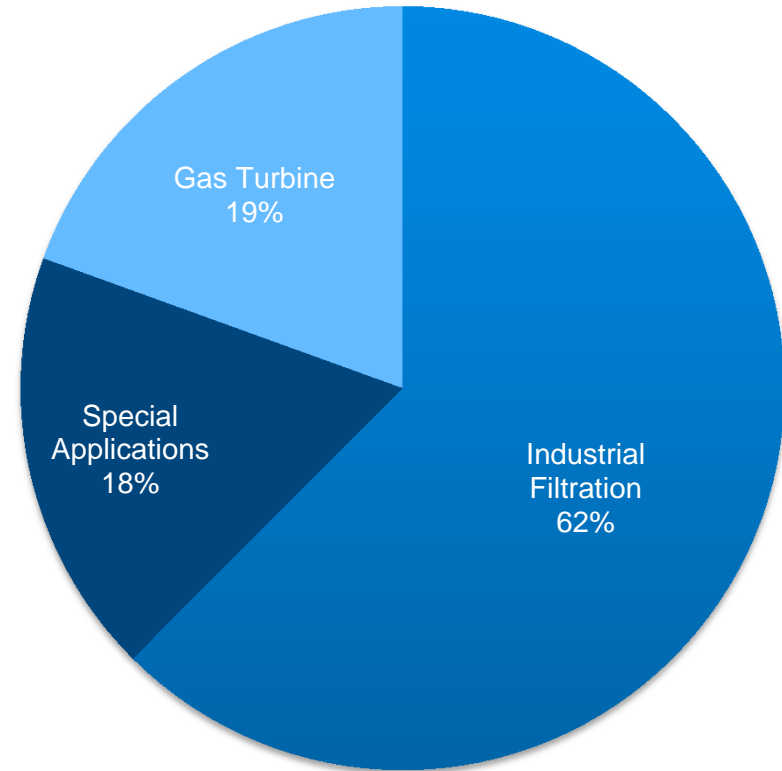
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## Engine



**\$1,391 million**

## Industrial

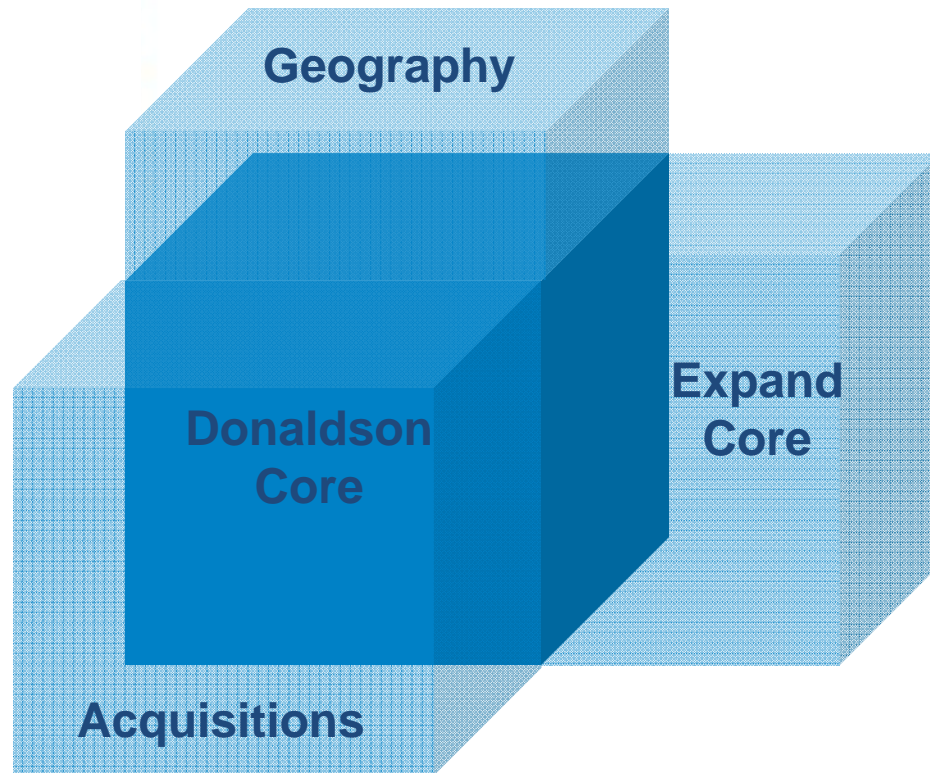


**\$829 million**



# Future Growth Plans

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Expand **core** products  
& technologies

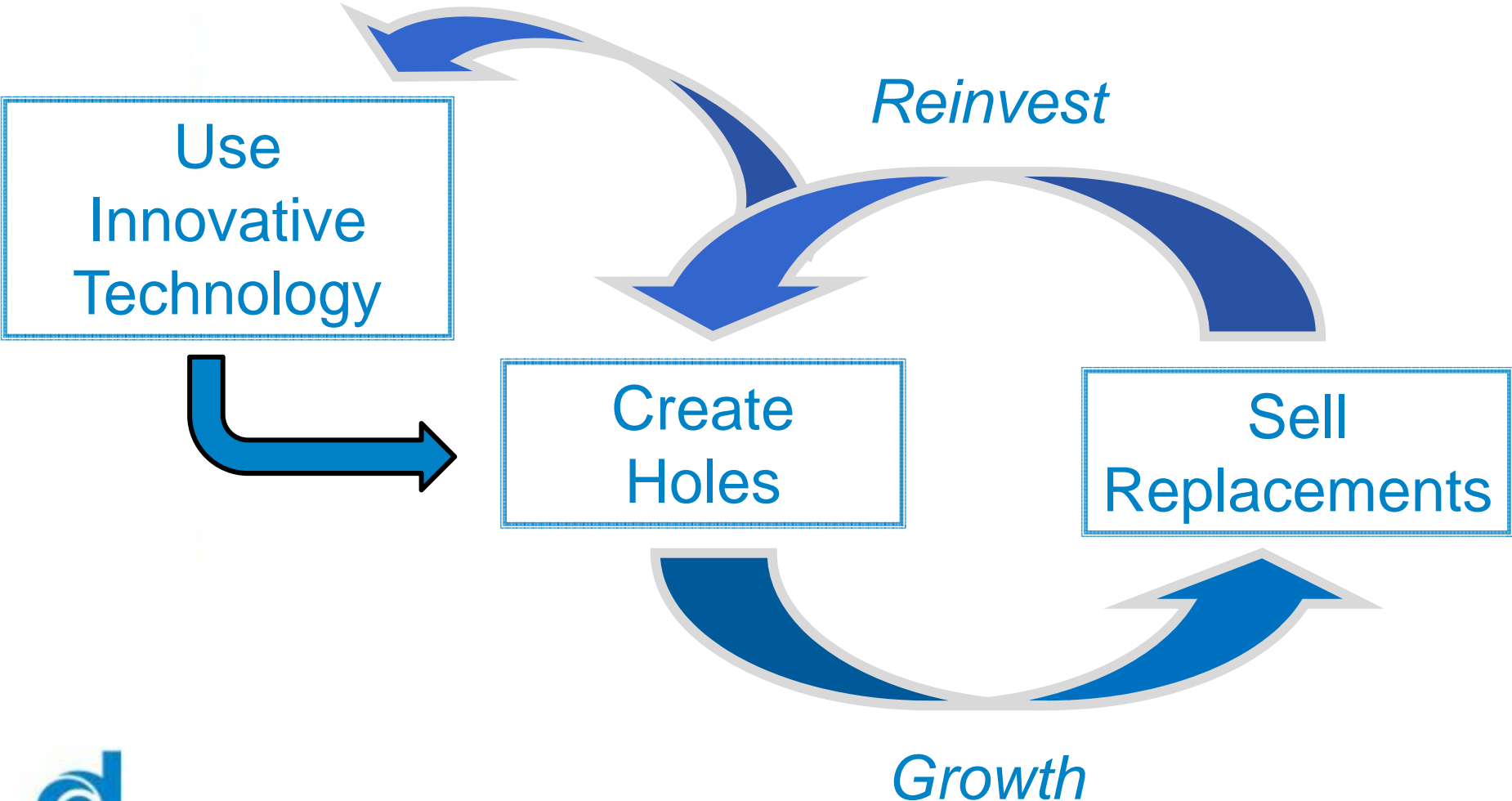
Expand **geographies**

Execute **acquisitions**



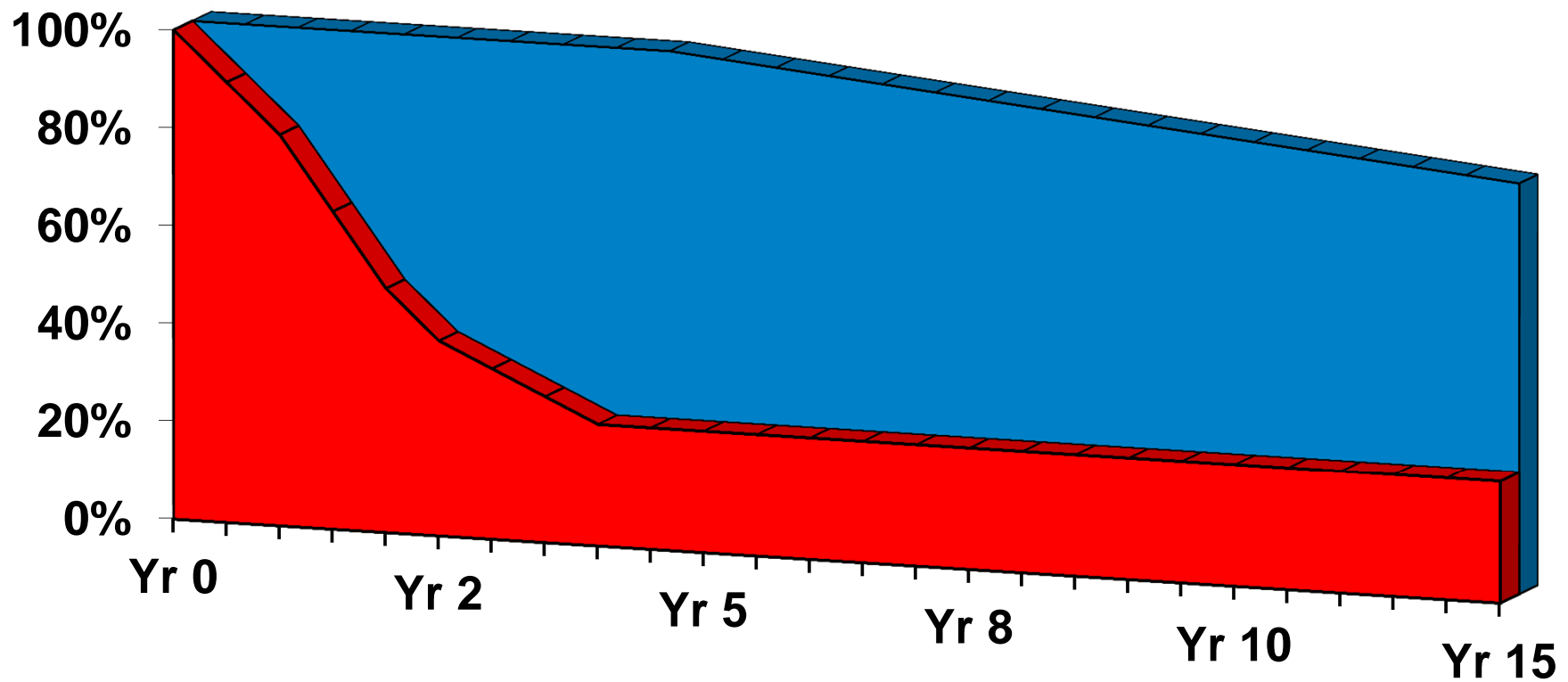
# Sales Growth Model

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# Innovative First-Fit Improves Aftermarket Retention

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■ Legacy ■ Innovative

# Current Environment

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## Recent challenges

- Challenging end markets
- Soft global GDP growth is limiting capital investment
- Significant currency headwinds

## Tactics to address challenges

- Strategic Growth Plans
- Continued investment in our business

# Investing for Growth

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- Bolt-On Acquisitions

- Partmo
- Engineered Products Company
- IFIL USA
- Northern Technical

- Technology

- Implementation of global ERP finished in 2016
- \$10 million R&D lab upgrade

- Capacity

- New facility in Poland is producing Air and Liquid
- Additional distribution in Peru and Colombia



# Investment Conclusion

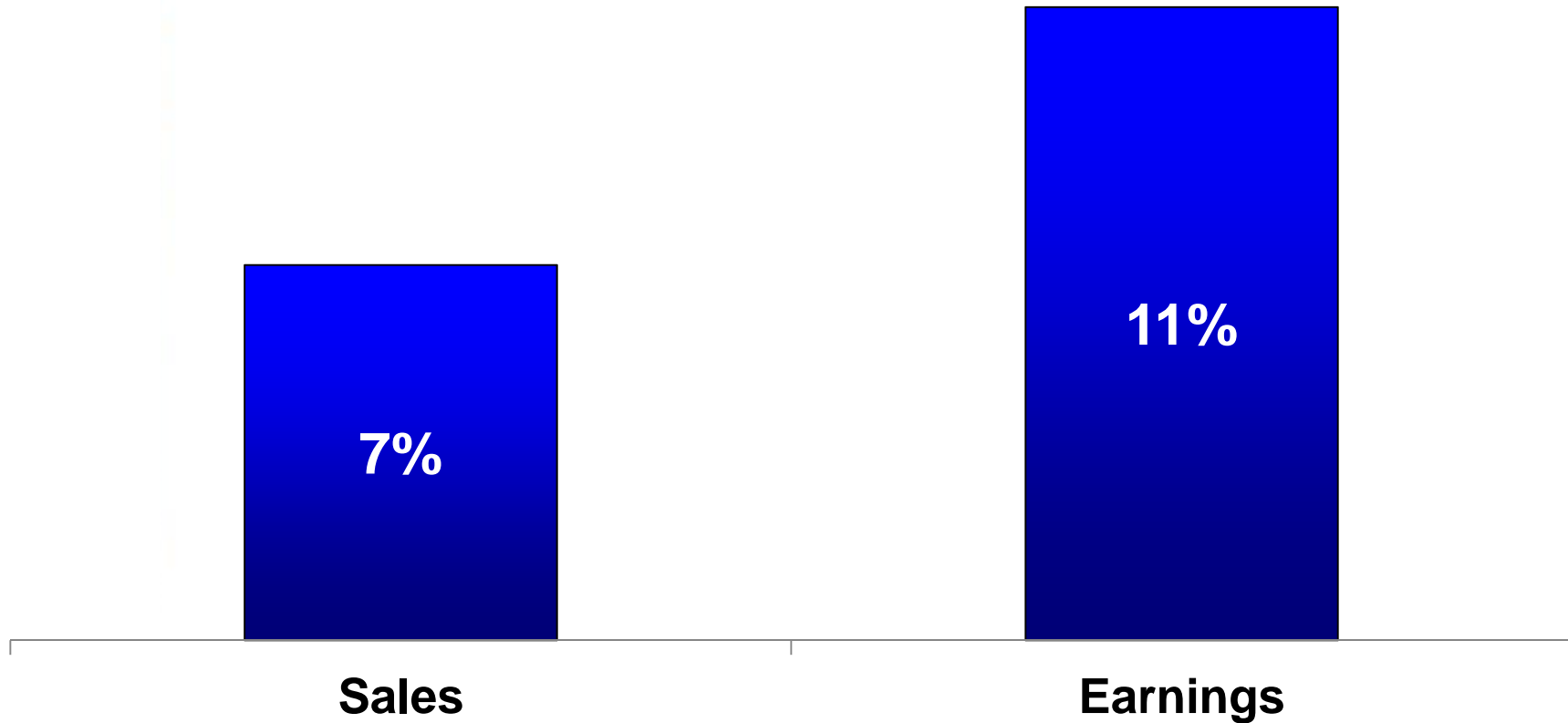
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- Diversified product lines
- Deeply integrated into global economy
- Committed to growth & financial performance
- Disciplined capital deployment

# Sales and Earnings Growth Over Time

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## 25-Year CAGR





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