



Donaldson®
FILTRATION SOLUTIONS

Gabelli 41st Annual Automotive Aftermarket Symposium

Tod Carpenter

President and CEO



Safe Harbor Statement

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



Overview of Donaldson

We are a filtration company

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

Value Proposition To Our Customers

Technology Advantages

- Higher efficiency
- Small system size
- Longer filter life
- Reduced operating and maintenance costs

Better Aftermarket Retention

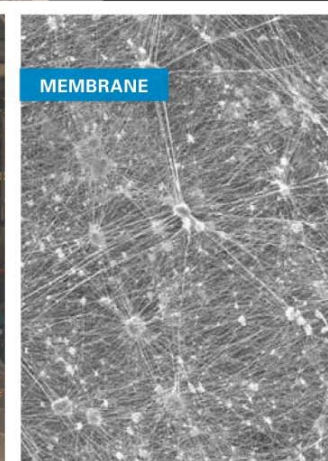
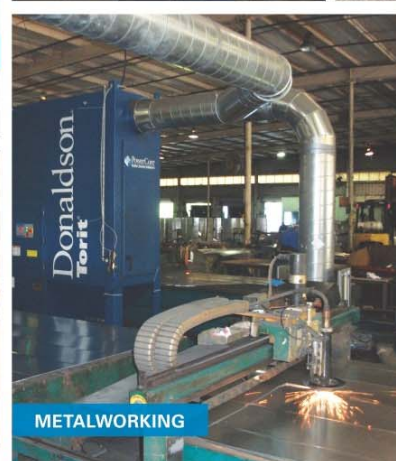
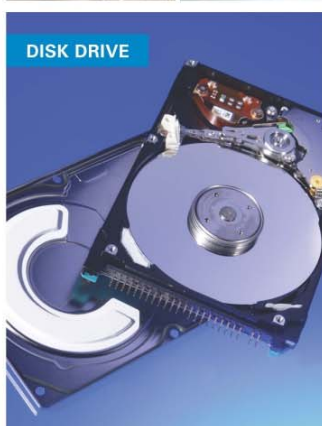
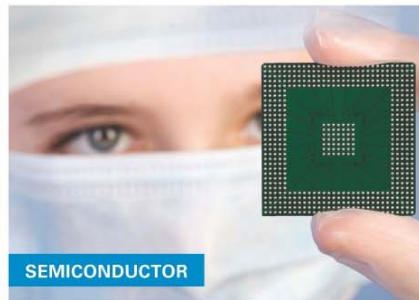
Value Proposition To Our Shareholders

- Diversified portfolio of technology and products
- Global sales, production and distribution footprint
- Committed to growth & financial performance
- Disciplined capital deployment

Diversified Product Assortment: Engine



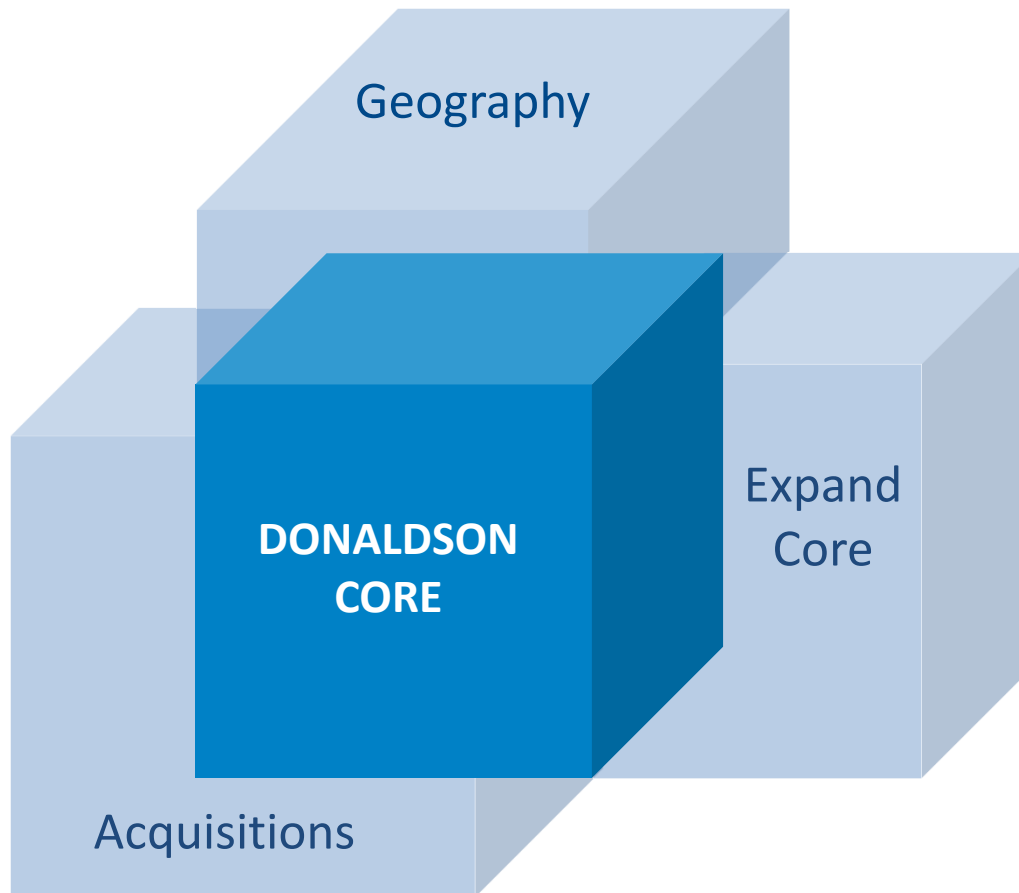
Diversified Product Assortment: Industrial





Strategic Growth Plans

Strategic Growth Plans

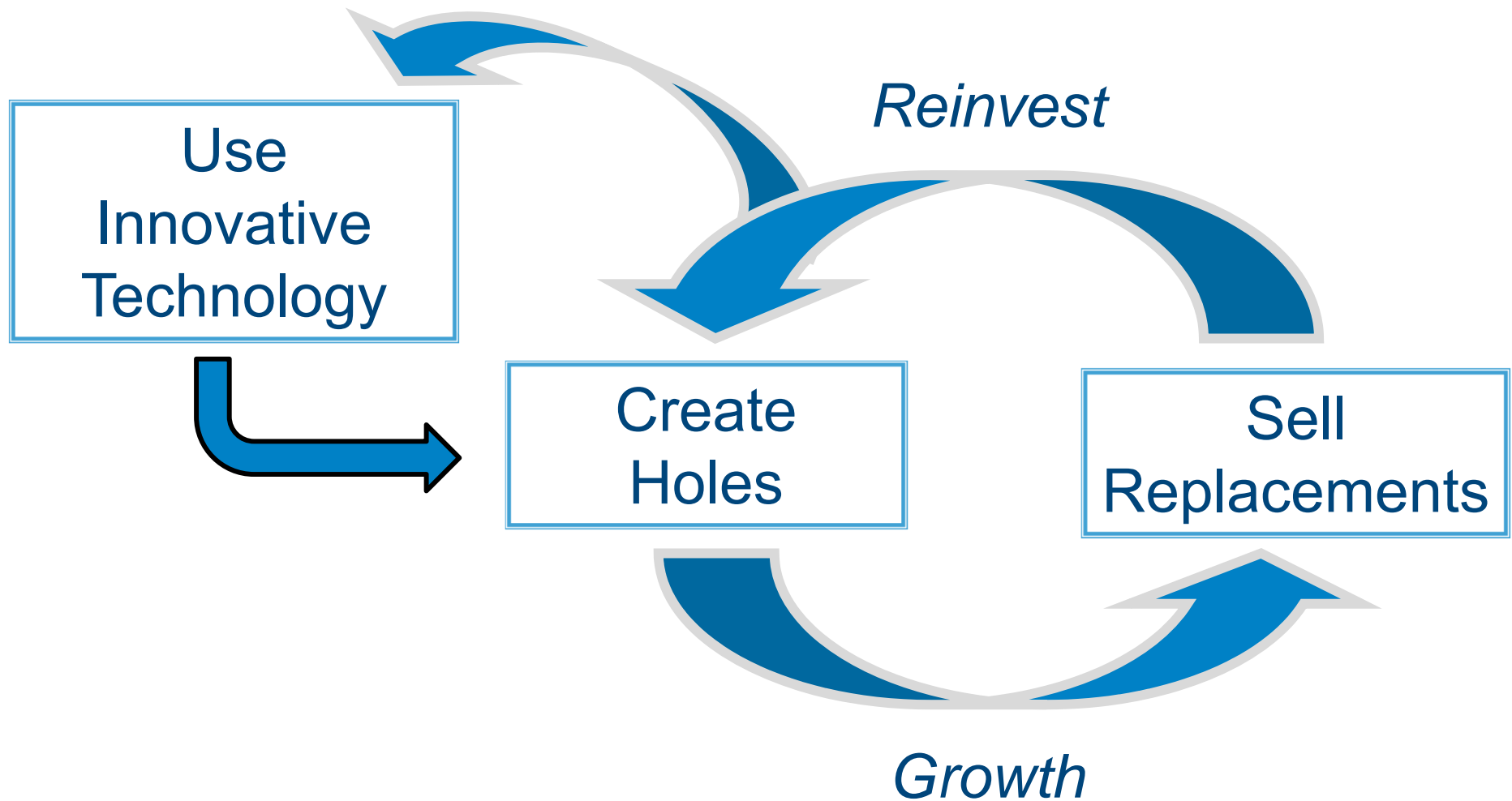


Expand **core products & technologies**

Expand **geographies**

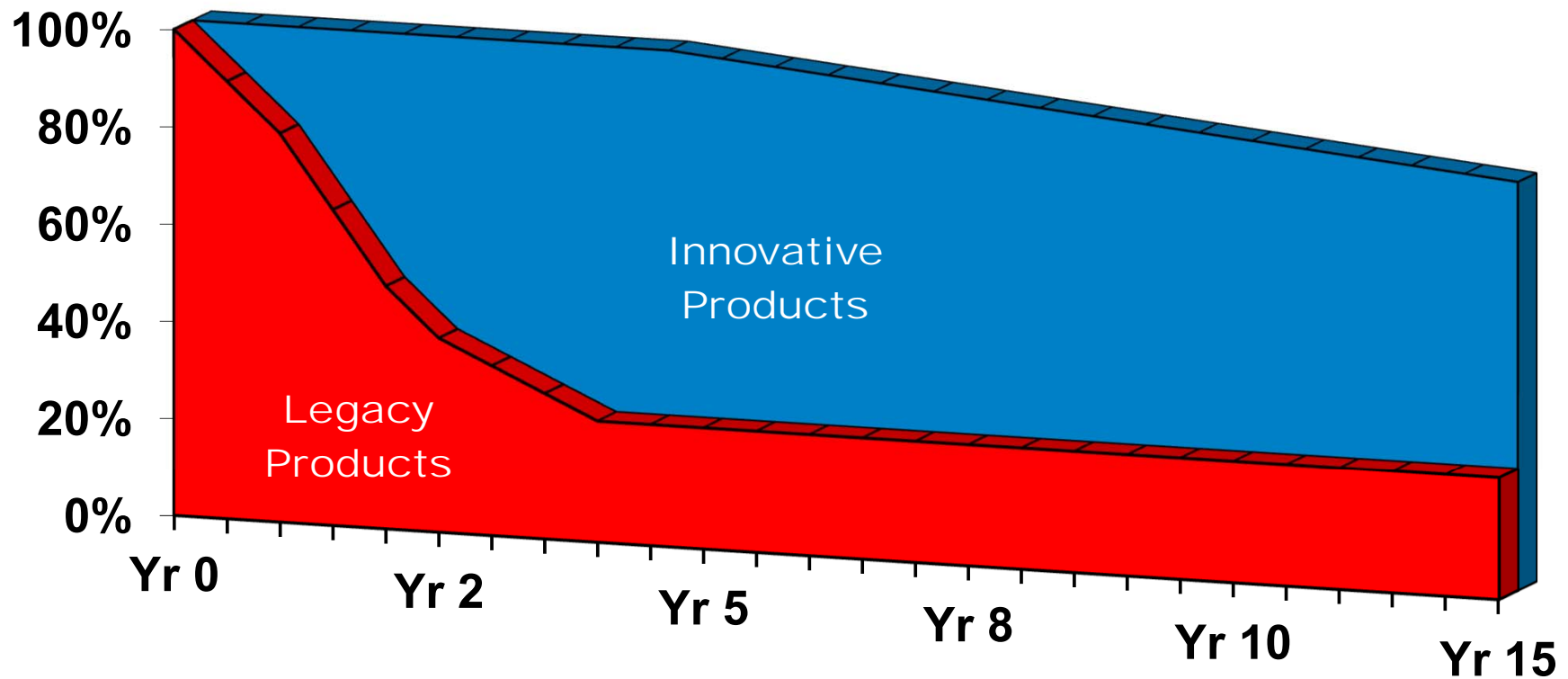
Execute **acquisitions**

Sales Growth Model



Innovative Product to Improve Retention

Aftermarket retention rate of innovative products is higher than legacy products over time



Innovative Air Filtration

PowerCore



DownFlo Evolution



Innovative Liquid Filtration

- Designed for new diesel fuels, higher fuel injector pressure
- Higher efficiency and extended filter life





Capital Deployment

Capital Deployment Priorities

- Invest in our company
- Pay a dividend
- Repurchase our shares

Fiscal 2018 Strategic Investment Priorities

- **Technology development**
 - *Grow our capabilities with new filtration technologies to further expand into adjacent markets.*
- **Capacity expansion**
 - *Increase our manufacturing capacity for innovative air and liquid products, and add distribution capacity to better serve our customers while enhancing productivity.*
- **Customer engagement**
 - *Launch our e-commerce platform to make it easier for new and existing customers to buy from Donaldson.*

Reinvesting in the Business Over Time

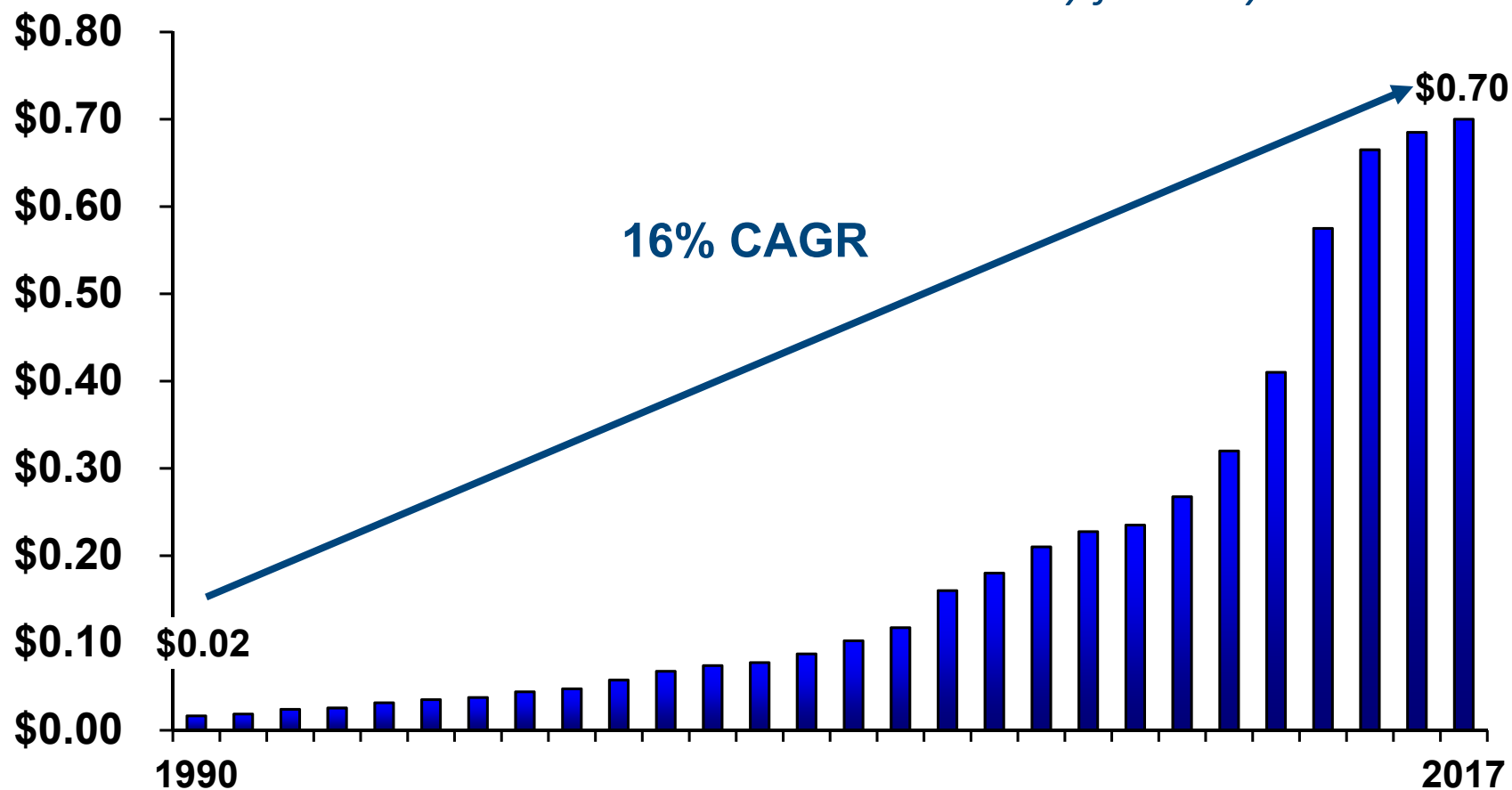
- Organic Growth Investments
 - Development of new and innovative products
 - Lab upgrades and IT investments
 - Production capacity and distribution expansion
- Acquisitions
 - Completed five bolt-on acquisitions in three years



Consistent Dividend Growth

- *Paid quarterly dividend for 60+ years*
- *Increased annually for 20+ years*

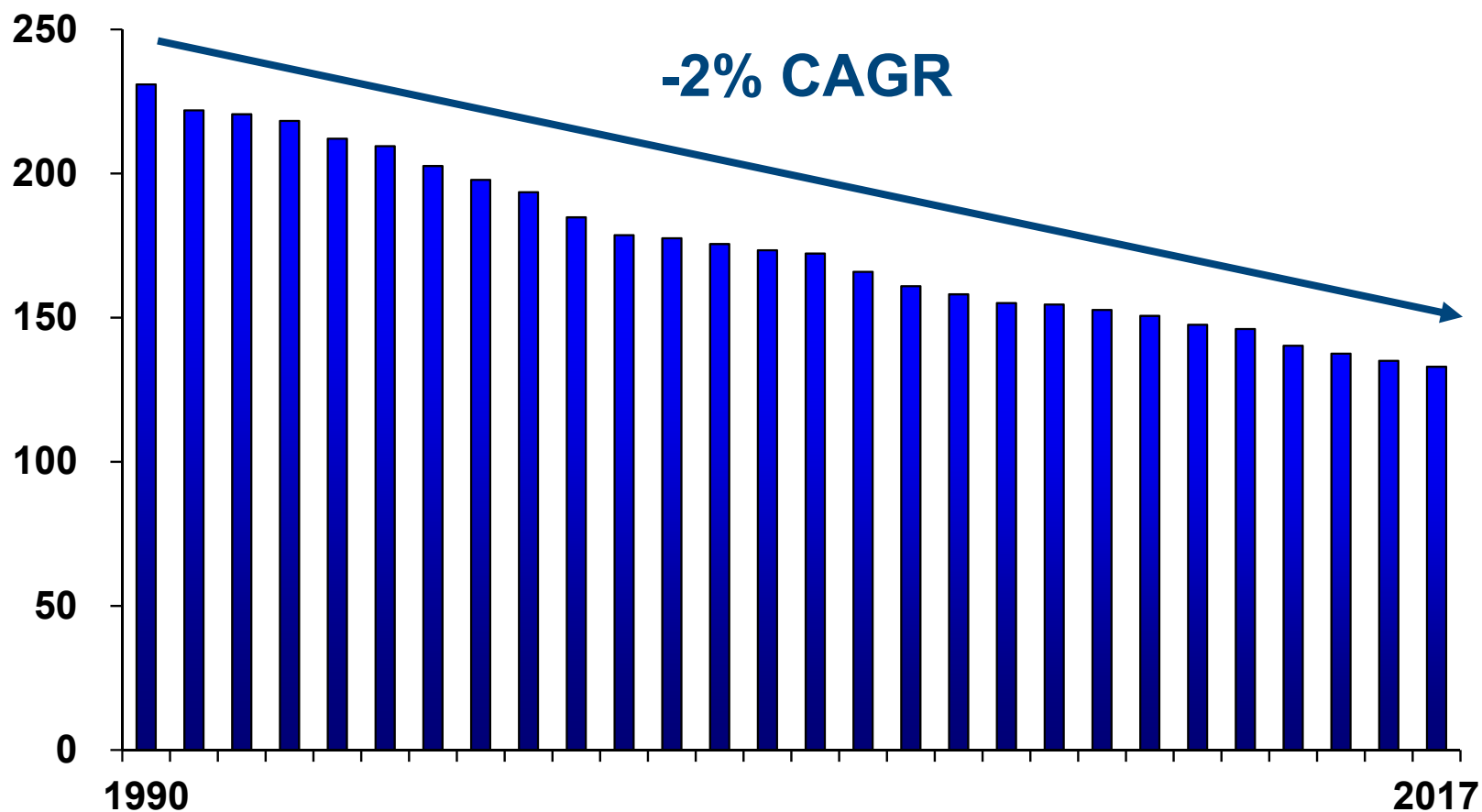
Per Share



Consistent Share Repurchase

Shares
Outstanding
in Millions

- Goal is to at least offset annual dilution of ~1%



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Thank You