

### COMPANY PROFILE

Sun Hydraulics Corporation is an industrial technology leader that develops and manufactures solutions for both the hydraulics and electronics markets. In the hydraulics market, we are a leading manufacturer of high-performance screw-in hydraulic cartridge valves, electro-hydraulics, manifolds, and integrated package solutions for the worldwide industrial and mobile hydraulics markets. In the electronics market, we are a global provider of innovative electronic control, display and instrumentation solutions for both recreational and off-highway vehicles, as well as stationary and power generation equipment.

### 2025 VISION

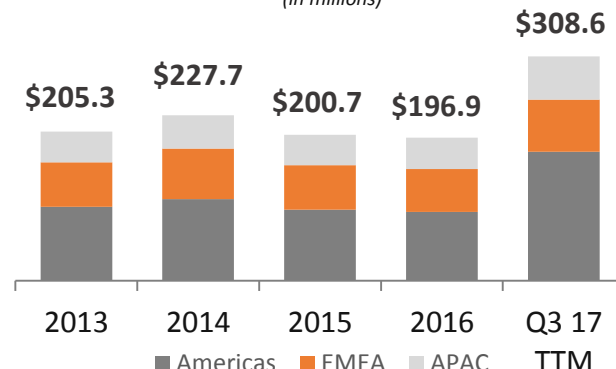
Achieve global technology leadership in the industrial goods sector by 2025 with critical mass exceeding \$1B in sales while maintaining superior profitability & financial strength.

### GROWTH STRATEGY

- Maintain and improve upon the core competencies
- Expand our electronic and digital capabilities
- Act on opportunities where we can grow in both new and existing geographic regions
- Accelerate lean efforts

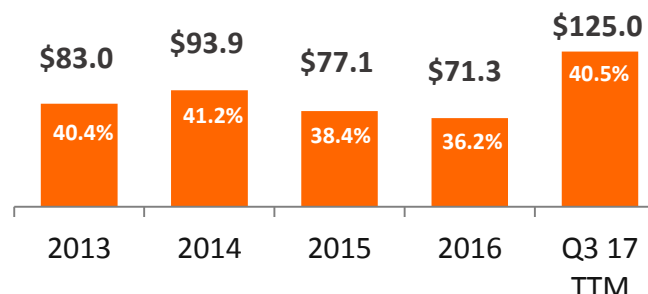
### Sales

(in millions)



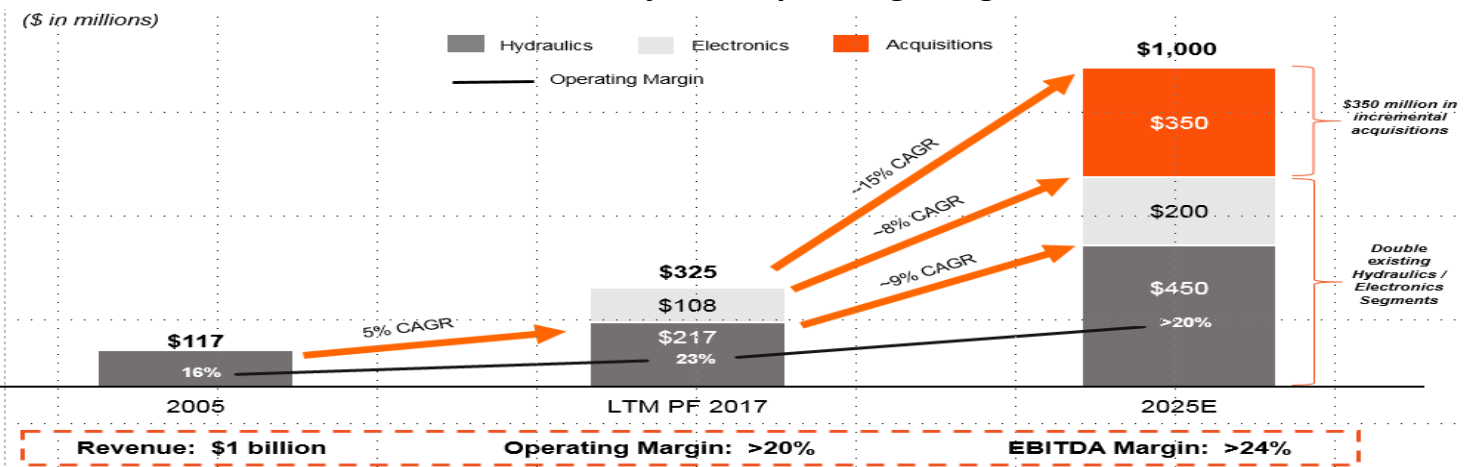
### Gross Profit & Margin

(\$ in millions)



### Revenue and Adjusted Operating Margin

(\$ in millions)

 ■ Hydraulics ■ Electronics ■ Acquisitions  
 — Operating Margin


### Market Highlights

Market Cap	\$1.6 bln
Avg. Daily Volume (3 mos.)	108k
Recent Price	\$60.01
52-Week Range	\$34.17 – \$60.07

Shares Outstanding	27.0 mln
Institutional ownership	82%
Insider ownership	13%

Market data as of November 20, 2017 [Source: S&P Capital IQ]; ownership as of most recent filing

### Investor Relations Contact

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	Sept 30,		Reporting Year		
	2017	2016	2016	2015	2014
Net Sales	\$ 88,001	\$ 45,232	\$ 196,934	\$ 200,727	\$ 227,673
Gross Profit	36,294	15,540	71,349	77,093	93,892
<i>Gross Margin</i>	41.2%	34.4%	36.2%	38.4%	41.2%
Operating Income	17,402	7,243	34,459	46,891	64,071
<i>Operating Margin</i>	19.8%	15.9%	17.5%	23.4%	28.1%
Net Income	11,295	4,989	23,304	33,138	43,775
<i>Net Margin</i>	12.8%	11.0%	11.8%	16.5%	19.2%
Earnings per share - diluted	\$ 0.42	\$ 0.19	\$ 0.87	\$ 1.24	\$ 1.65
Dividends per common share	\$ 0.09	\$ 0.09	\$ 0.40	\$ 0.45	\$ 1.45
<i>(\$ in thousands)</i>	Sept 30,	Reporting Year			
	2017	2016	2015	2014	
Capital Expenditures	\$ 8,268	\$ 6,187	\$ 6,106	\$ 10,667	
Depreciation & Amortization	16,333	12,339	9,557	8,718	
Cash and cash equivalents & short-term investments	84,947	81,083	126,106	100,196	
Working Capital, excluding cash, short-term investments & debt	21,941	29,109	19,230	19,619	
Total Assets	476,588	444,777	241,540	222,764	
Total Debt	116,000	140,000	-	-	
Shareholders' Equity	\$ 268,770	\$ 236,397	\$ 222,187	\$ 198,259	



## Q3 2017 Highlights

- Sales of \$88.0 million, up 95%
- Enovation Controls contributed \$30.8 million
- Core business grew 27%
- EPS of \$0.42 per share, up 121%; non-GAAP EPS of \$0.43
- Adjusted EBITDA more than doubled to \$22.5 million, 25.5% of sales
- Increased 2017 revenue guidance

## Guidance

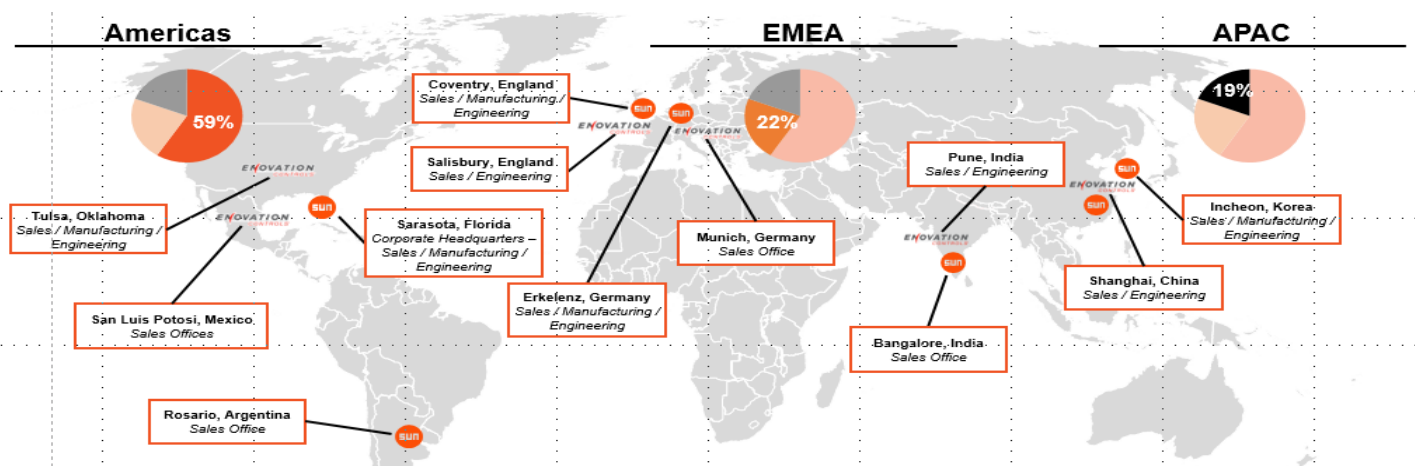
as of November 6, 2017

(\$ in millions)

- Consolidated revenue
  - Hydraulics segment revenue \$225 - \$230
  - Electronics segment revenue \$105 - \$110
- Consolidated operating margin 22% - 24%\*
- Consolidated interest expense, before offsetting interest income \$4.2 - \$4.4
- Effective tax rate 32% - 34%
- Capital expenditures \$20 - \$25
- Depreciation \$11 - \$12
- Amortization \$8 - \$9

\*before acquisition-related amortization of intangibles

## Sales by Region



~200 GLOBAL SALES CHANNEL PARTNERS

(Pie charts denote Q3 YTD net sales by geography)