



1500 WEST UNIVERSITY PARKWAY | SARASOTA , FL 34243

Q4 2017 Fact Sheet

NASDAQ: SNHY

www.sunhydraulics.com

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

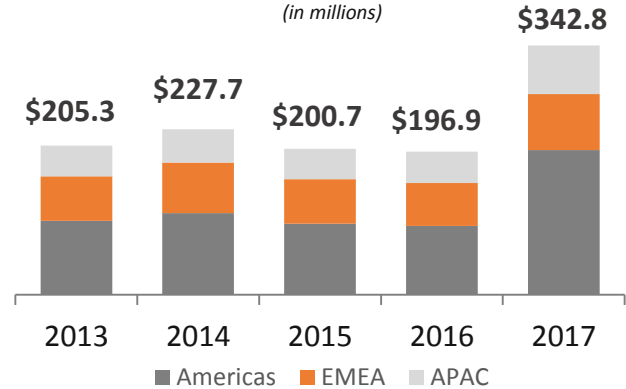
Achieve global technology leadership in the industrial goods sector by 2025 with critical mass exceeding \$1B in sales while maintaining superior profitability & financial strength.

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

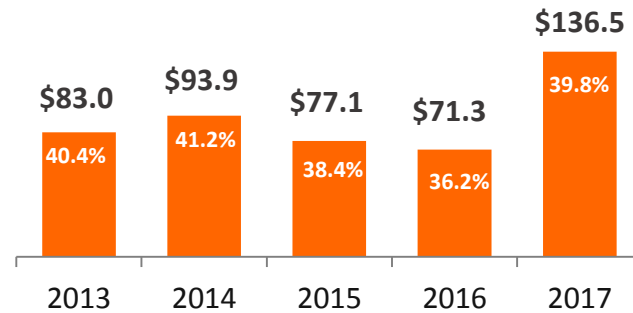
Sales

(in millions)

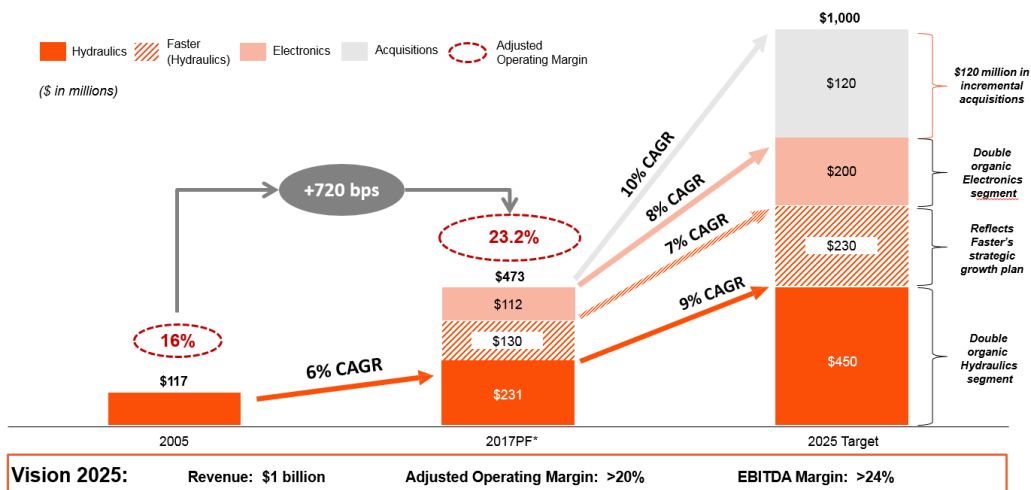


Gross Profit & Margin

(\$ in millions)



Vision 2025: Pathway to Superior Growth



* 2017PF is pro forma to reflect the combination of 2017 actual SNHY and Faster results

Market Highlights

Market Cap	\$1.65 bln
Avg. Daily Volume (3 mos.)	276k
Recent Price	\$52.37
52-Week Range	\$34.17 – \$70.83

Shares Outstanding	31.5 mln
Institutional ownership	83%
Insider ownership	10%

Market data as of April 11, 2018 [Source: S&P Capital IQ]; ownership as of most recent filing

Investor Relations Contact

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(\$ in thousands, except per share data)	Three Months Ended		Reporting Year		
	31-Dec	31-Dec			
	2017	2016	2017	2016	2015
Net Sales	\$ 84,150	\$ 49,865	\$ 342,839	\$ 196,934	\$ 200,727
Gross Profit	28,854	17,315	136,525	71,349	77,093
<i>Gross Margin</i>	34.3%	34.7%	39.8%	36.2%	38.4%
Operating Income	7,604	4,886	61,491	34,459	46,891
<i>Operating Margin</i>	9.0%	9.8%	17.9%	17.5%	23.4%
Net Income	2,768	3,118	31,558	23,304	33,138
<i>Net Margin</i>	3.3%	6.3%	9.2%	11.8%	16.5%
Earnings per share - diluted	\$ 0.10	\$ 0.12	\$ 1.17	\$ 0.87	\$ 1.24
Dividends per common share	\$ 0.09	\$ 0.09	\$ 0.38	\$ 0.40	\$ 0.45

(\$ in thousands)	31-Dec	Reporting Year		
	2017	2017	2016	2015
Capital Expenditures	\$ 13,937	\$ 22,205	\$ 6,187	\$ 6,106
Depreciation & Amortization	4,631	19,190	11,318	9,557
Cash and cash equivalents & short-term investments	63,922	63,922	81,083	126,106
Working Capital, excluding cash, short-term investments & debt	36,991	36,991	29,109	19,230
Total Assets	459,766	459,766	444,777	241,540
Total Debt	116,000	116,000	140,000	-
Shareholders' Equity	\$ 272,673	\$ 272,673	\$ 236,397	\$ 222,187



Q4 2017 Highlights

- Full year sales of \$343 million, up 74%
- EPS of \$1.17 per share, non-GAAP EPS of \$1.60, up 72%
- Adjusted EBITDA of \$87.2 million, 25.4% of sales
- Raised \$240 million in public equity offering to fund acquisition of Faster Group
- Introducing 2018 revenue guidance of \$370 to \$385 million, adjusted operating margin of 22.7% to 24.0%; does not yet include Faster Group, acquired in April 2018

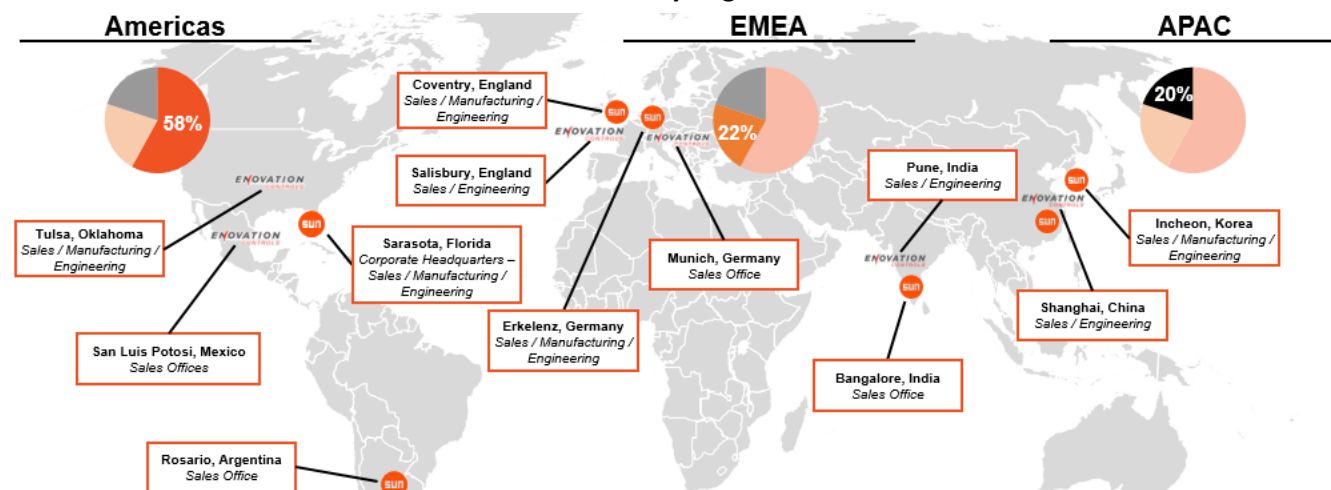
2018 Guidance (before inclusion of Faster Group)

(\$ in millions) as of February 26, 2018

- Consolidated revenue
 - Hydraulics segment revenue \$250 - \$258
 - Electronics segment revenue \$120 - \$127
- Consolidated operating margin 22.7% - 24.0%*
- Consolidated interest expense \$0.1 - \$0.2
- Effective tax rate 24.5% - 26.5%
- Capital expenditures \$15 - \$20
- Depreciation \$11.5 - \$12.5
- Amortization \$8 - \$9

*before acquisition-related amortization of intangibles

Sales by Region



~200 GLOBAL SALES CHANNEL PARTNERS

(Pie charts denote 2017 net sales by geography)