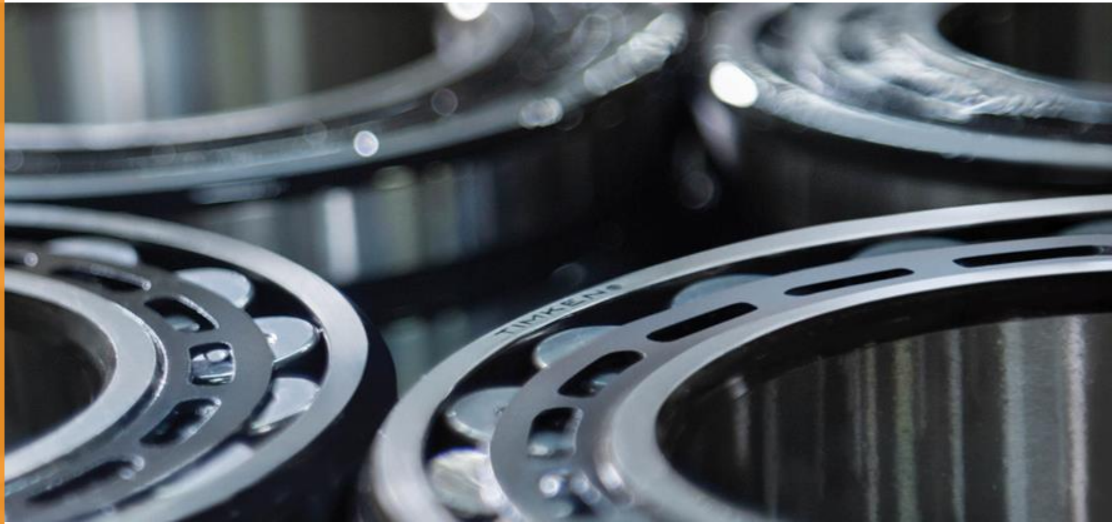
TIMKEN

Investor Presentation

AUGUST 2019



Delivering Next-Level Performance

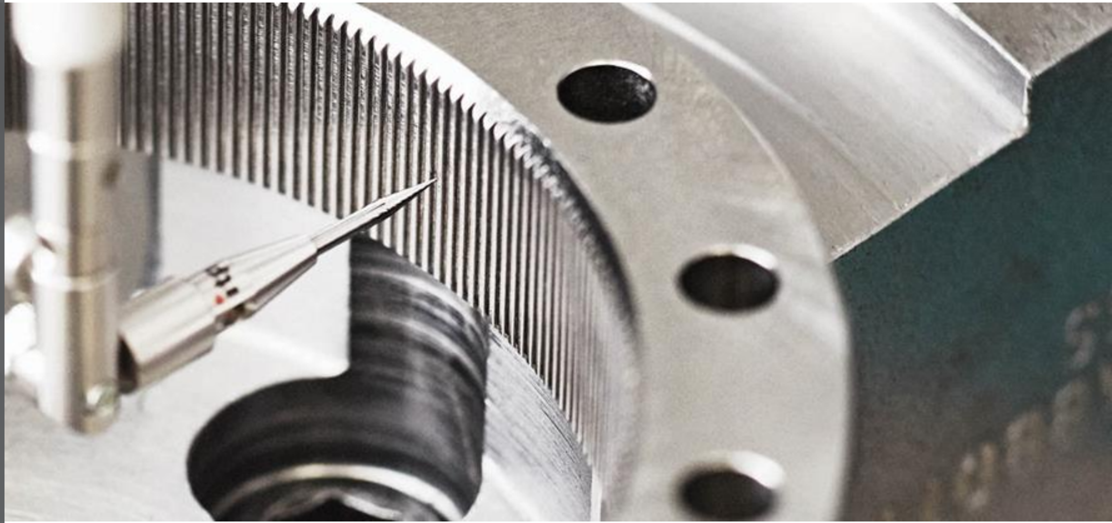
Forward-Looking Statements Safe Harbor and Non-GAAP Financial Information

Certain statements in this presentation (including statements regarding the company's forecasts, beliefs, estimates and expectations) that are not historical in nature are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, the statements related to Timken's plans, outlook, future financial performance, targets, projected sales, cash flows, liquidity and expectations regarding the future financial performance of the company are forward-looking.

The Company cautions that actual results may differ materially from those projected or implied in forward-looking statements due to a variety of important factors, including: the company's ability to respond to changes in its end markets that could affect demand for the company's products; unanticipated changes in business relationships with customers or their purchases from the company; changes in the financial health of the company's customers, which may have an impact on the company's revenues, earnings and impairment charges; fluctuations in material and energy costs; the impact of changes to the company's accounting methods; recent world events that have increased the risk posed by international trade disputes, tariffs and sanctions; weakness in global or regional economic conditions and capital markets; the company's ability to satisfy its obligations under its debt agreements and renew or refinance borrowings on favorable terms; fluctuations in currency valuations; changes in the expected costs associated with product warranty claims; the ability to achieve satisfactory operating results in the integration of acquired companies, including realizing any accretion within expected timeframes or at all; the impact on operations of general economic conditions; fluctuations in customer demand; the impact on the company's pension obligations and assets due to changes in interest rates, investment performance and other tactics designed to reduce risk; and the company's ability to complete and achieve the benefits of announced plans, programs, initiatives, acquisitions and capital investments. Additional factors are discussed in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended Dec. 31, 2018, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This presentation includes certain non-GAAP financial measures as defined by the rules and regulations of the Securities and Exchange Commission. Reconciliation of those measures to the most directly comparable GAAP equivalents are provided in the Appendix to this presentation.

Company Overview



Why Invest in Timken?

- Leading market, brand and technical position
- Focused, talented and committed management team
- Strong track record of results; exceeding targets
- Sound strategy to:
  - Grow and improve market position
  - Deliver higher levels of financial performance
- **Timken is a compelling investment**

LTM JUNE 2019
KEY METRICS

SALES
$3.8 billion

EBIT MARGIN
13.4%

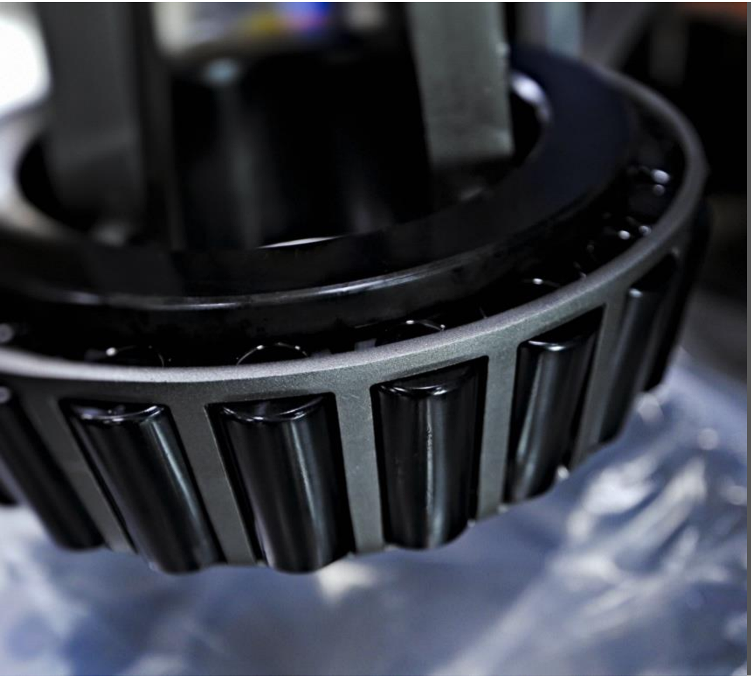
EPS
$4.07

ADJUSTED EBIT MARGIN
15.1%

ADJUSTED EPS
$4.68

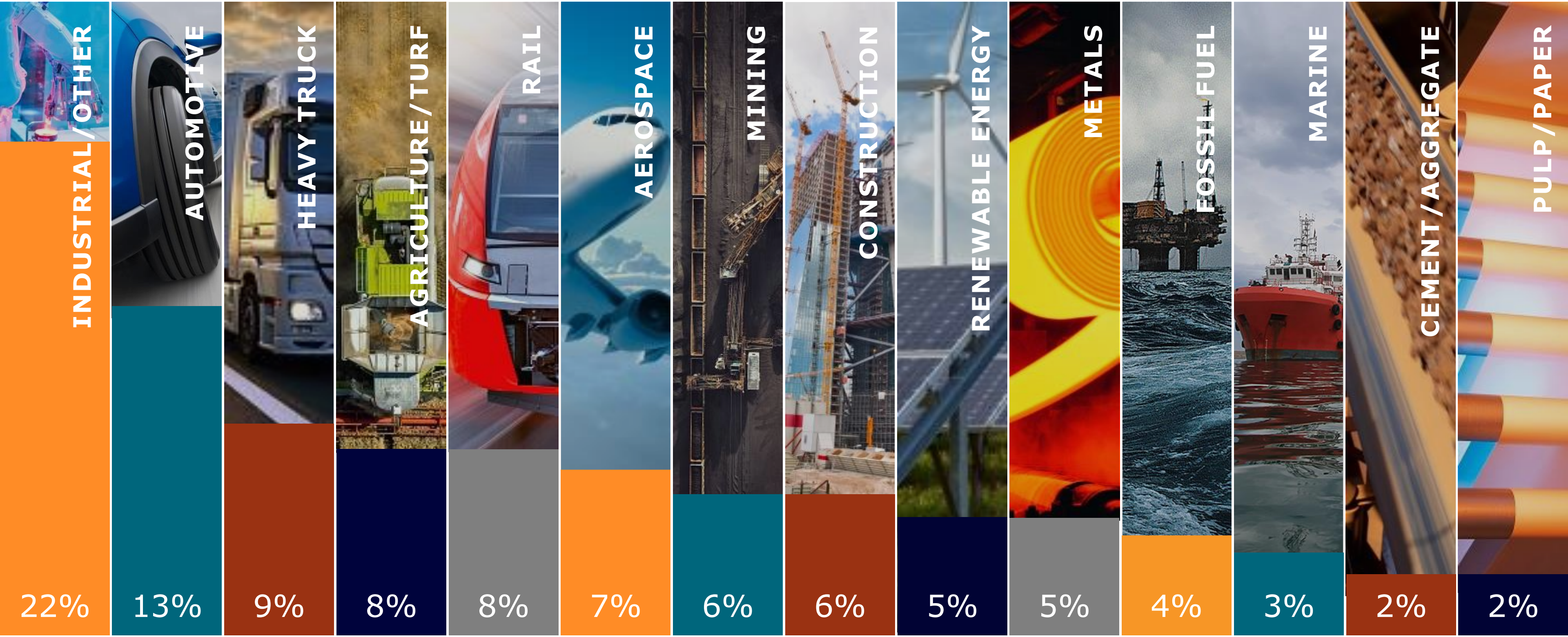
See appendix for reconciliations of EBIT margin, adjusted EBIT margin and adjusted EPS to their most directly comparable GAAP equivalents.

We Deliver Premium Bearings and Power Transmission Products and Services for the World's Equipment and Vehicles



- Timken engineered bearings feature a broad range of sizes, rolling elements and proprietary designs that are vital to a wide array of customer applications
- Timken power transmission products range from belts and chain to sealing technologies, improving the reliability of industrial equipment and machinery
- Timken industrial services provide bearing and power system rebuild services that can return components or entire systems to like-new specifications

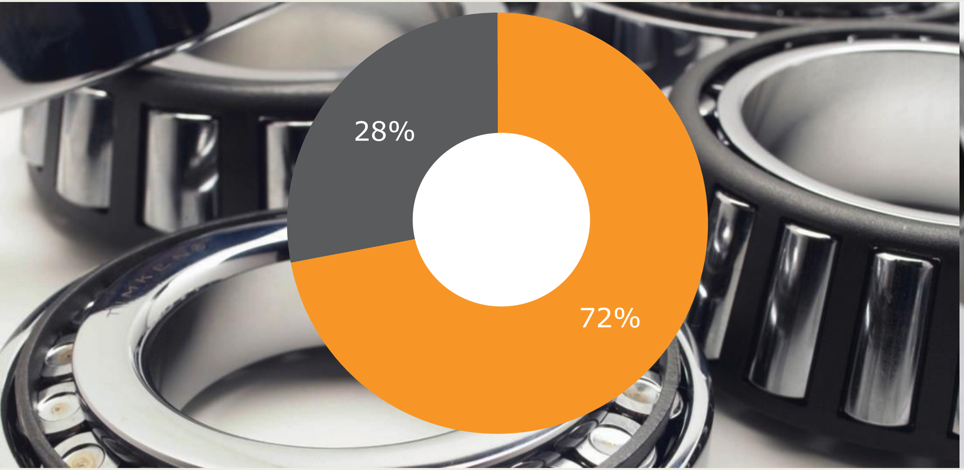
Our Sales Are Diversified Across Several End-Market Sectors



Percentage of Actual Sales for 2018

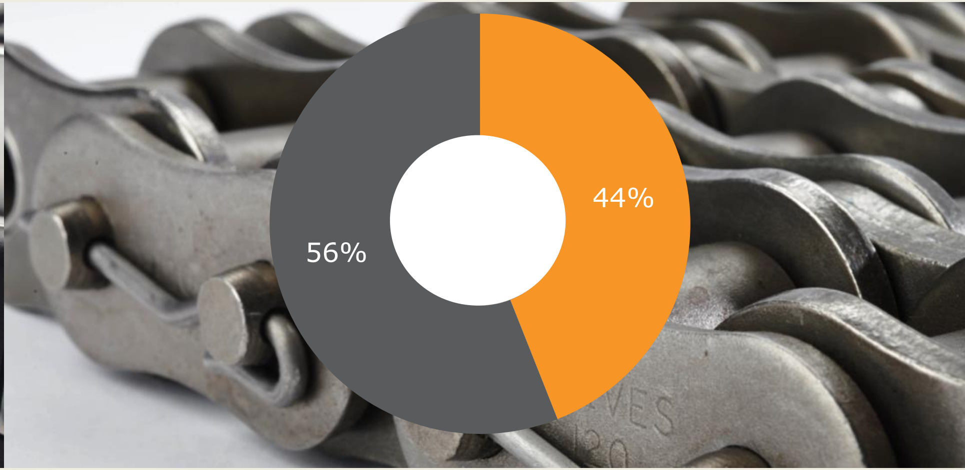
Portfolio and Channel Position Reflects Progress in Diversifying Product and Services Offerings

PORTFOLIO



■ Engineered Bearings ■ Power Transmission/Services

CHANNELS



■ OEM ■ Distribution/End-User

Percentage of Actual Sales for 2018

We Have Strong Global Capabilities

35
countries

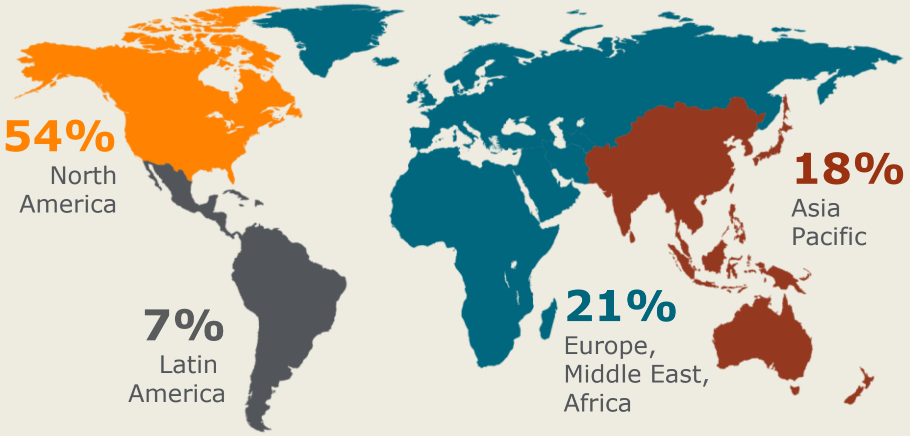
95
sales offices

>18K
associates

118
plants and service centers

53
logistics centers

2018 SALES BY GEOGRAPHY



Percentage of Actual Sales for 2018

Mobile Industries Segment:
A Balanced and Attractive Mix Across Mobile End-Market Sectors

MOBILE INDUSTRIES

LTM JUNE 2019 KEY METRICS

SALES

$1.9 billion

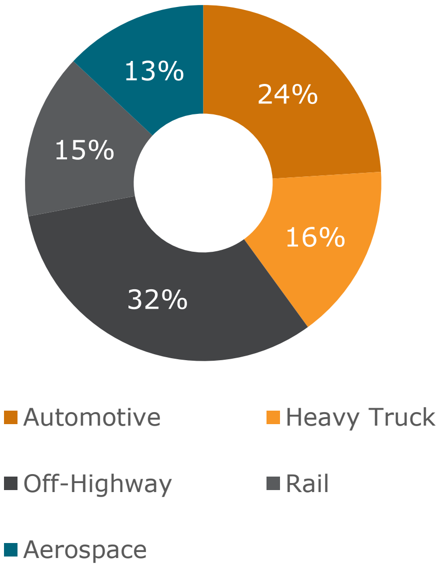
EBIT MARGIN

11.1%

ADJUSTED EBIT MARGIN

11.7%

MARKET SECTOR MIX (LTM JUNE 2019 SALES)



PRODUCT PORTFOLIO

Engineered bearings, power transmission products and related services

See appendix for reconciliations of EBIT margin and adjusted EBIT margin to their most directly comparable GAAP equivalents.

Process Industries Segment:
Industry-Leading Portfolio Serving OEMs and Aftermarket

PROCESS INDUSTRIES

LTM JUNE 2019 KEY METRICS

SALES

$1.9 billion

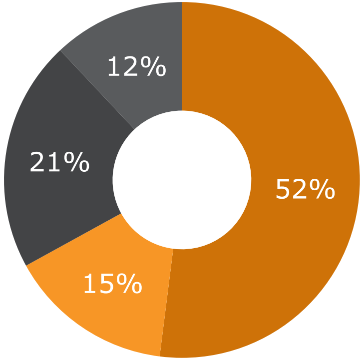
EBIT MARGIN

20.0%

ADJUSTED EBIT MARGIN

21.0%

MARKET SECTOR MIX (LTM JUNE 2019 SALES)



- Distribution
- Gears & Services
- Heavy/General Industrial
- Wind/Solar

PRODUCT PORTFOLIO

Engineered bearings, power transmission products and related services

See appendix for reconciliations of EBIT margin and adjusted EBIT margin to their most directly comparable GAAP equivalents.

Proven Strategy to Drive Next-Level Performance

OUTGROW OUR MARKETS

- Be the technical leader in solving customers' friction and power transmission challenges
- Expand both our product portfolio and geographic presence
- Deliver best-in-class customer service experience using a differentiated technical sales model

OPERATE WITH EXCELLENCE

- Drive enterprise-wide Lean and continuous improvement efforts
- Build a more cost-effective global manufacturing footprint
- Deliver efficiencies across our supply chains
- Optimize processes and SG&A efficiency

DEPLOY CAPITAL TO DRIVE SHAREHOLDER VALUE

- Invest in organic growth and productivity initiatives
- Pay an attractive dividend that grows over time with earnings
- Broaden portfolio and reach through value-accretive M&A
- Return capital through share repurchases

NEXT-LEVEL PERFORMANCE

Our Actions Are Driven by the Timken Business Model

DISCIPLINED FILTER FOR ATTRACTIVE OPPORTUNITIES

- Challenging Applications
- Aftermarket & Rebuild
- Fragmentation
- High Service Requirements

Markets Supported by Strong Macros

VALUE CREATION

Expand Reach with Adjacent Products and Services

TIMKEN COMPETITIVE DIFFERENTIATORS

- Technology & Innovation
- Business Capabilities
- Operational Excellence
- Talent

Growth-Creating Megatrends Will Fuel Opportunities Going Forward

URBANIZATION

INFRASTRUCTURE DEVELOPMENT

POPULATION GROWTH

ENERGY

SUSTAINABILITY & EFFICIENCY

Timken's Strategy to Drive Outgrowth

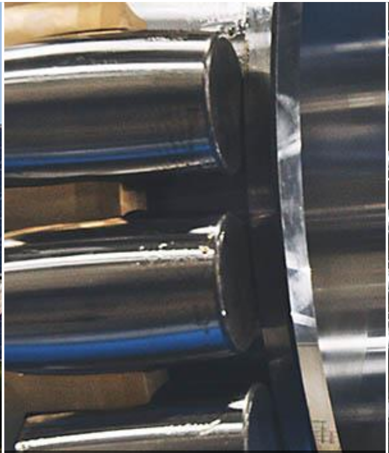
Timken's strategy is to be the supplier of choice for solving our customers' friction management and power transmission challenges.
We will do this by:

- **Strengthening our global leadership in tapered roller bearings, and enhancing our offering of other highly-engineered bearings**
- **Delivering a diverse portfolio of power transmission products that complement our bearing offering and enhance the value we provide to customers and end users across the globe**
- **Delivering a best-in-class customer service experience utilizing a differentiated technical sales and service model**

Delivering Outgrowth and Enhancing Market Sector Exposure

Wind Energy
Increasing penetration in wind energy

Solar Energy
Cone Drive acquisition serving renewable energy markets



Spherical Roller Bearings
Bearing product breadth expansion

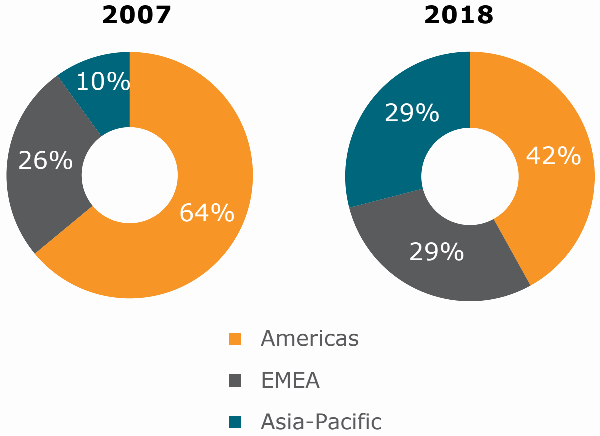
Automated Lubrication Systems
Improving equipment reliability through automation

Asia
Multiple penetration initiatives across product lines

Operational Excellence is a Core Competency

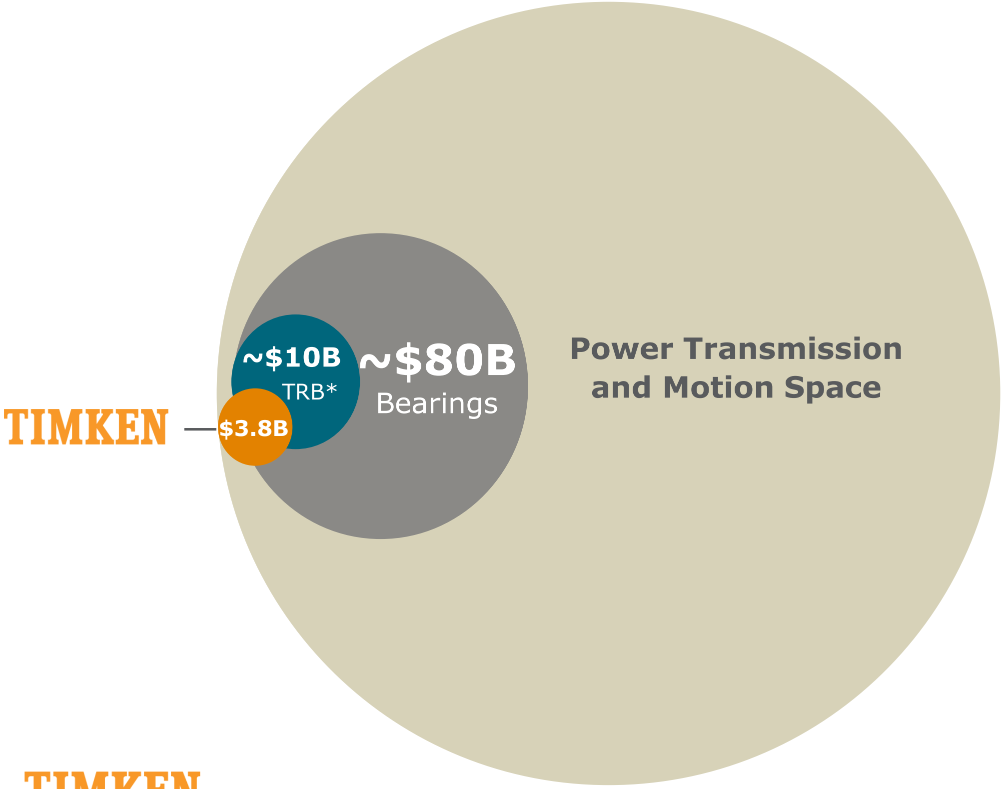
- Regional manufacturing hubs in Americas, Asia and Europe
- Expand capacity in low-cost geographies to support growth
- Improve efficiency in high-cost locations
- Drive Lean principles across the organization
- Continually look to streamline and leverage SG&A costs
- Part of our culture

TRANSFORMING OUR BEARING FOOTPRINT[1]



(1) Based on square feet of manufacturing floor space.

Focus on Broader Power Transmission and Motion Space Opens Up Significant Opportunity for Value Creation



<u>Timken M&A Strategy</u>:

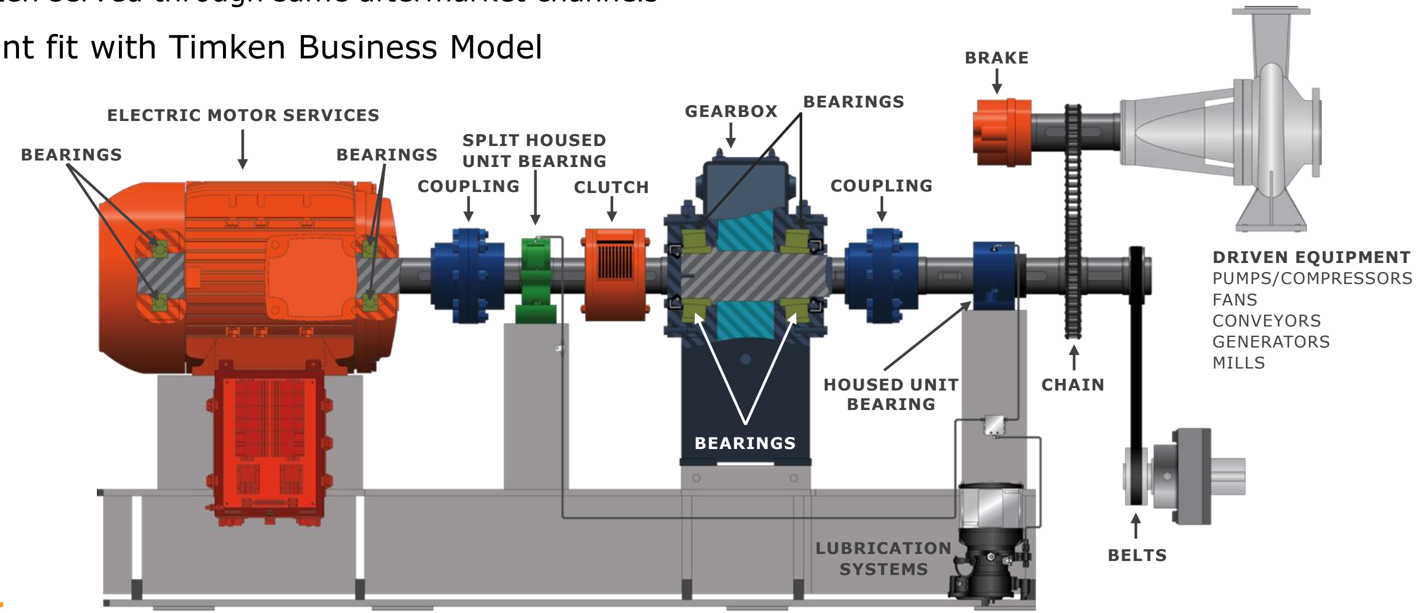
- Consolidate attractive targets within the global bearing space
  - Focus on “bolt-ons” to enhance industry-leading product offering or extend reach
- Expand into attractive adjacencies that fit the Timken Business Model
  - Focus on high-quality businesses across the industrial power transmission and motion space
  - Look to enhance our organic growth and profitability over the long term

*TRB = Tapered roller bearings

Note: Bearing market is based on the 2018 Freedonia report.

Power Transmission Products and Services – Strong Adjacency to Bearings

- Target products are critical components in the industrial drivetrain
  - Close proximity to bearing positions
  - Require same engineering expertise – friction, motion and materials
  - Often served through same aftermarket channels
- Excellent fit with Timken Business Model



Building Our Power Transmission Platforms with Bearings at the Core

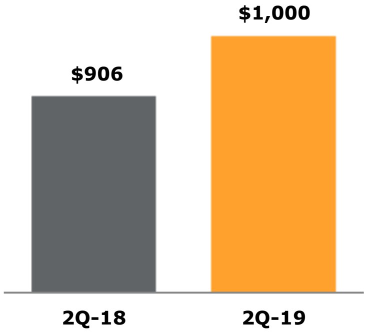
BEARINGS	LINEAR MOTION	LUBRICATION SYSTEMS	GEARS & DRIVES	BELTS & CHAIN	COUPLINGS, CLUTCHES & BRAKES
TIMKEN	ROLLON BY TIMKEN	GROENEVELD LUBRICATION SOLUTIONS BY TIMKEN	PHILADELPHIA GEAR POWER SYSTEMS BY TIMKEN	DIAMOND CHAIN COMPANY BY TIMKEN	Lovejoy COUPLINGS & UNIVERSAL JOINTS BY TIMKEN
Fafnir		INTERLUBE LUBRICATION SOLUTIONS BY TIMKEN	Cone Drive BY TIMKEN	CARLISLE BELTS BY TIMKEN	TORSION CONTROL PRODUCTS SPRING COUPLINGS BY TIMKEN
Bii AERO SERVICES BY TIMKEN			H-FANG Cone Drive	DRIVES CHAIN BY TIMKEN	PT TECH POWERING INNOVATION
edt BY TIMKEN			TIMKEN	TIMKEN	
ABC Bearings Limited					

Strengthening Our Position in Attractive Markets Around the World

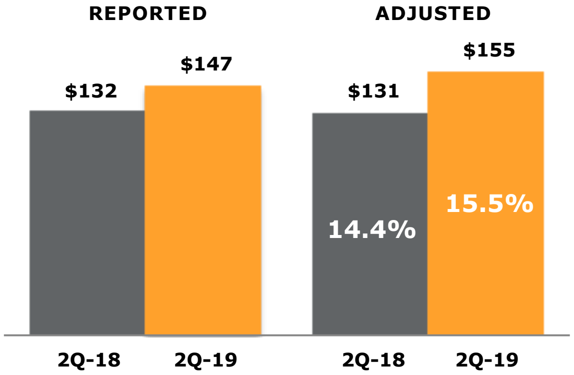
Financial Review and Capital Allocation

2Q 2019 Financial Overview

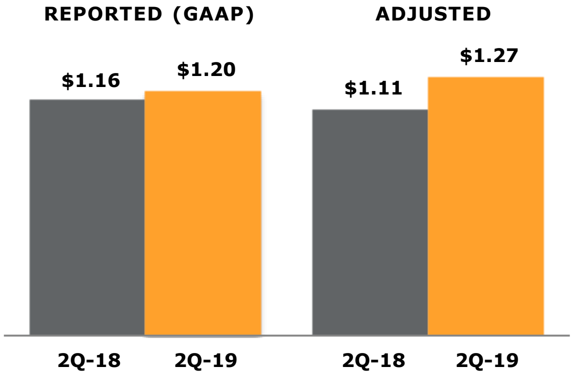
NET SALES ($M)



EBIT ($M)



EARNINGS PER SHARE



- Sales of $1 billion, up 10.3% from 2Q-18
  - Primarily driven by the benefit of acquisitions and organic growth in the Process Industries segment, partially offset by unfavorable foreign currency translation
- Adjusted EBIT margin at 15.5%, up 110 bps from 2Q-18
- Adjusted EPS of $1.27 per diluted share, up 14% from 2Q-18
  - Adjusted EPS is a new Company record for the second quarter

See appendix for reconciliations of EBIT, adjusted EBIT, adjusted EBIT margin and adjusted EPS to their most directly comparable GAAP equivalents.

Cash Flow, Leverage & Capital Allocation

($M)

	2Q-18	2Q-19
Net Cash from Operations	$102.1	$157.6
Capital Expenditures	(21.8)	(23.0)
Free Cash Flow (FCF)	$80.3	$134.6

FCF improved $54 million year-on-year; reflects higher earnings and improved working capital performance

Capital Structure:	12/31/18	6/30/19
Cash	$133.1	$167.4
Debt	1,681.6	1,688.9
Net Debt	1,548.5	1,521.5
Equity	1,642.7	1,783.6
Net Capital	$3,191.2	$3,305.1
Leverage:		
Net Debt/Capital	48.5%	46.0%
Net Debt/Adjusted EBITDA TTM	2.4x	2.1x
PF Net Debt/Adj. EBITDA TTM(1)	2.2x	2.0x

CAPITAL ALLOCATION HIGHLIGHTS

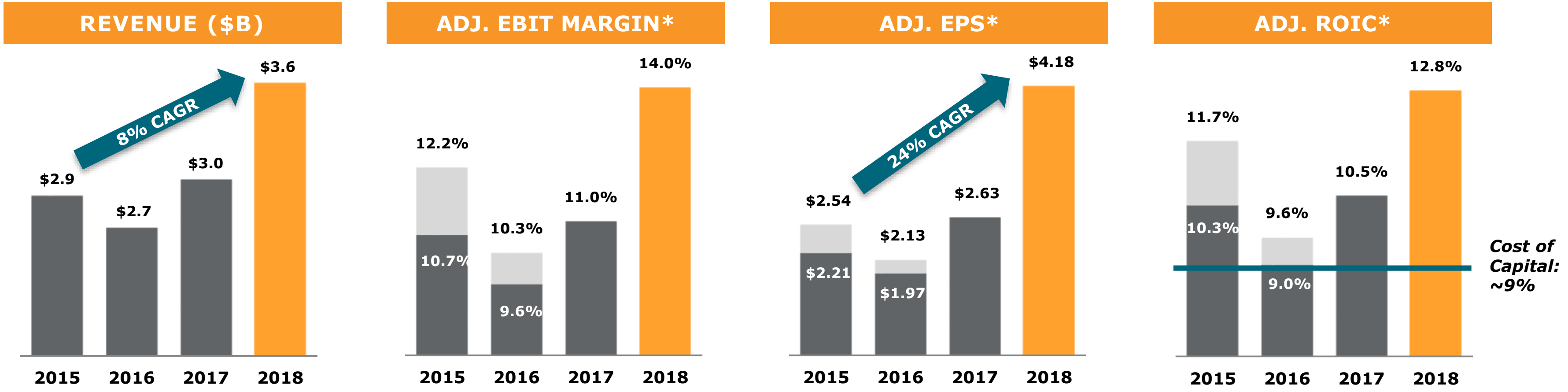
2Q-19 Update:

- CapEx of $23M in the quarter (2.3% of sales)
- Paid 388th quarterly dividend in June ($0.28/share; $21M total)
- Closed Diamond Chain acquisition on April 1; continued integration on recent acquisitions
- Repurchased ~320K shares ($15M) in 2Q-19
- Ended quarter with strong balance sheet

See appendix for reconciliations of net debt, net debt/capital, adjusted EBITDA and pro forma adjusted EBITDA to their most directly comparable GAAP equivalents.

(1) Adjusted EBITDA is pro forma to include estimated trailing twelve month EBITDA for Cone Drive, Rollon, ABC Bearings and Diamond Chain acquisitions.

Delivering Next Level Financial Performance



- Revenue growth in 2017-2018 driven by organic growth initiatives and acquisitions
  - Strong market fundamentals; outgrowth initiatives clearly working
- Building track record for margin expansion and increased ROIC
  - Evidence of our focus on operational excellence
- Well-positioned to drive growth and margin expansion in 2019 and beyond
  - Strategy focused on driving growth over the long term

*2015 and 2016 results are shown pre- and post-adoption of mark-to-market accounting for pensions. EPS CAGR calculated based on 2015 EPS as reported (before adoption of mark-to-market accounting for pensions). See appendix for reconciliations of adjusted EBIT margins, adjusted EPS and adjusted return on invested capital to their most directly comparable GAAP equivalents. Adjusted return on invested capital ("ROIC") is defined as adjusted net operating profit after taxes ("ANOPAT") divided by average invested capital.

Exceeding Targets…With Room to Go
(Targets from May 2017 Investor Day)

STRATEGY TO DRIVE MEANINGFUL IMPROVEMENT IN FINANCIAL PERFORMANCE

REVENUE GROWTH
- Organic: Market growth **plus** 100 bps "outgrowth"
- Inorganic: 200+ bps growth from acquisitions

OPERATING MARGINS
- 11-13% adj. EBIT margin
  - Mobile Ind.: 10-12%
  - Process Ind.: 16-19%

FCF AND ROIC
- FCF conversion >100%
- ROIC average 12+%

CAPITAL DEPLOYMENT
- Deploy cash and balance sheet with capital allocation framework
- Net debt to capital: 30-45%

- Drive above-market top-line growth and meaningful margin expansion
  - Target top-end of EBIT margin range (13%)
- Generate strong cash flow and ROIC
- Continue to deploy balance sheet to create value

Disciplined Capital Allocation Strategy Enhances Shareholder Value

INVEST IN CORE BUSINESS

Organic Growth, Margin Improvement, R&D
CapEx Target: < 4% of Sales

DIVIDEND

Pay Attractive Dividend
Target: 20-35% Payout Ratio Over Cycle

INORGANIC GROWTH

Target Accretive Transactions
to Drive Portfolio Expansion

SHARE REPURCHASE

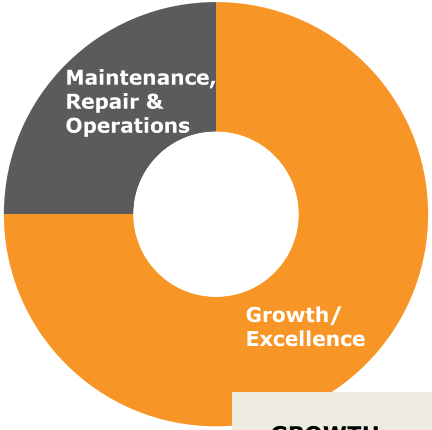
Return Capital to Shareholders
Through Stock Buybacks

LEVERAGE TARGET: 30% TO 45% NET DEBT TO CAPITAL

Investing in Core Business Remains Top Priority for Growth

- Investing in core business remains top priority for capital allocation
  - Generally produces the highest risk-adjusted returns
- Includes investments in CapEx, R&D, etc.
- CapEx – targeted at 4% or less of sales annually over the cycle
  - Includes normal maintenance (~1% of sales)
  - Bulk of spend (~3% of sales) allocated to organic growth and productivity/margin improvement initiatives
    - New capacity/capabilities in lower-cost countries
    - Investments in productivity/automation in higher-cost countries

BREAKDOWN OF TARGET CAPEX



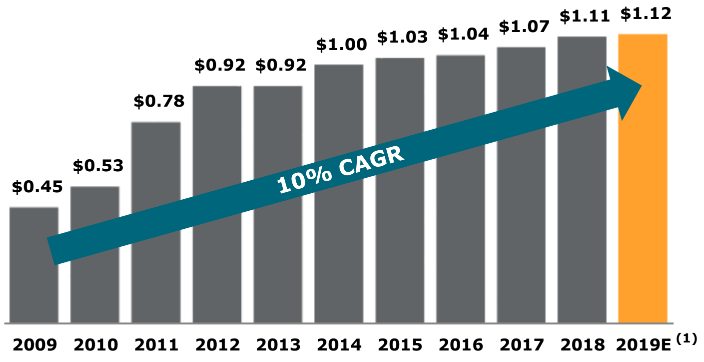
GROWTH:
Add new capabilities/capacity

OPERATIONAL EXCELLENCE:
Improve productivity and margins

Rich History of Attractive and Growing Dividend

- Goal: Pay an attractive dividend that grows over time with earnings
  - Target 20-35% payout (adj. EPS) over the cycle
- In 2018:
  - Increased quarterly dividend 4% to 28 cents per share in May 2018
    - Reflects the company's financial strength and our confidence in our strategy and future growth prospects
- 2019: expected to be 6th consecutive year of annual dividend increases(1)
  - Paid 388th consecutive quarterly dividend in June 2019
    - One of the longest active streaks on NYSE
- Commitment to dividend will continue

ANNUAL DIVIDEND PAYOUT



DIVIDEND YIELD (AS OF: 7/31/19)

The Timken Company	2.5%
Peer Median(2)	1.2%
S&P 500	2.0%
S&P Mid-Cap 400 Industrials	1.1%

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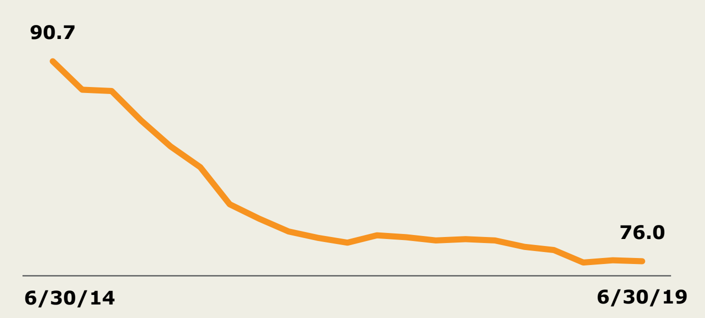
Stronger. By Design.

(1) Subject to Board approval on a quarterly basis.
(2) Peers represent composite of 18-company group consisting primarily of S&P 400 Mid-Cap Industrials.

Returning Capital Through Share Repurchases

- Share repurchase an important component of capital allocation strategy
- Since June 30, 2014:
  - Repurchased 18.1M shares for $696M (avg. ~$38/share)
    - Basic shares outstanding reduced by ~16% since June 30, 2014
- Current share repurchase authorization:
  - 10 million shares authorized for repurchase through February 2021
  - ~6.3 million shares remaining as of 6/30/19

BASIC SHARES OUTSTANDING (MILLIONS)



M&A: What We Look To Achieve

Existing Portfolio + **Industrial Bearings** + **Adjacent Products** = Stronger. Together.

DELIVER FINANCIAL VALUE

Discipline & Returns
Maintain financial discipline & deliver returns

- ROIC – earn the cost of capital by Year 3
- EPS – accretive in Year 1
- Improve mix – margins & growth

STRENGTHEN THE COMPANY'S STRATEGIC POSITION

Customer Reach
Customers, channels, markets & geography

Cost
Scale, operational excellence & business capabilities

Mix
Growth, technology, margins, diversity & cyclicality

Talent
Leverage existing & add new

Timken Is Positioned to Deliver Next-Level Performance

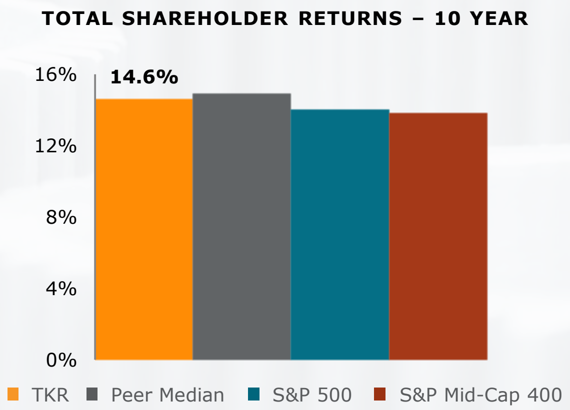
Moving Forward

We will:

- **Win with customers –** innovate, differentiate, deliver value
- **Outgrow improving end markets** through the differentiators of the Timken Business Model
- **Invest in the business to drive competitive advantage**
- **Generate strong cash flow and create value through capital allocation –** core business, dividend, M&A and buyback
- **Deliver next-level financial performance –** revenue, margins, EPS and ROIC

Why Invest in Timken?

- Leading market, brand and technical position
- Focused, talented and committed management team
- Strong track record of results; exceeding targets
- Sound strategy to:
  - Grow and improve market position
  - Deliver higher levels of financial performance
- **Timken is a compelling investment**



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Total Shareholder Returns as of 7/31/19 and includes reinvestment of dividends. Peers represent composite of 18-company group consisting primarily of S&P 400 Mid-Cap Industrials.

Appendix:
Additional Slides

Tariffs and Estimated Impact on Timken

- Timken serves the U.S. market primarily with its U.S. footprint and serves the China market primarily with its China footprint
- Total 2018 impact from tariffs was ~$8M of additional expense in total
- Estimated 2019 impact is ~$20M in total (pre-mitigation)
  - Slightly lower than prior estimate due to exclusion on ball bearing imports from China into the U.S., as well as the delayed implementation of higher U.S. tariffs on Chinese imports
- Sourcing, supply chain and other initiatives expected to mitigate over one-third of the impact
- Pricing expected to more than offset remaining impact in 2019

Tariffs Expected to be a Manageable Headwind

Incentive Compensation Plans

	ANNUAL (STIP)	LONG-TERM (LTIP)		
OBJECTIVE	**Short-Term Operational Business Priorities**	**3-Year Strategic Business Priorities**	**Long-Term Shareholder Value Creation**	
PARTICIPANTS	~13,000 Associates Globally	~275 Leadership Associates	~275 Leadership Associates	~100 Senior Leadership Associates
TIME HORIZON	1 Year	3 Years	4-Year Vesting	4-Year Vesting with a 10-Year Term
METRICS[1]	EBIT Free Cash Flow EBIT Margin	Cumulative EPS ROIC Share Price and Dividend	Share Price and Dividend	Share Price
AWARD	Cash	Equity – Performance-Based Restricted Stock Units	Equity – Time-Based Restricted Stock Units	Equity – Non-Qualified Stock Options

Compensation Aligned to Shareholder Value Creation

(1) Represents metrics applicable to participants in the corporate STIP plan. Metrics for individual business unit STIPs can vary.

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Appendix:
GAAP Reconciliations

GAAP Reconciliation: Net Income & EPS

Reconciliations of Adjusted Net Income to GAAP Net Income and Adjusted Earnings Per Share to GAAP Earnings Per Share:

(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes that the non-GAAP measures of adjusted net income and adjusted diluted earnings per share are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting adjusted net income and adjusted diluted earnings per share is useful to investors as these measures are representative of the Company's core operations.

(Dollars in millions, except share data)	**Three Months Ended June 30,**				**Twelve Months Ended June 30,**	
	2019	**EPS**	2018	EPS	**2019**	**EPS**
Net Income Attributable to The Timken Company	**$ 92.5**	**$ 1.20**	$ 91.0	$ 1.16	$ 316.0	$ 4.07
Adjustments: (1)						
Impairment, restructuring and reorganization charges (2)	**$ 2.2**		$ 0.7		$ 7.9	
Property loss and related expenses from flood damage (3)	**(0.2)**		—		5.8	
Acquisition-related charges (4)	**3.1**		0.2		28.3	
Gain on sale of real estate (5)	**—**		—		(1.7)	
Brazil legal matter (6)	**3.3**		—		3.3	
Corporate pension-related charges	**—**		(2.4)		15.0	
Loss on divestiture	**—**		—		0.8	
Tax indemnification and related items	**—**		—		1.7	
Noncontrolling interest (7)	**(0.3)**		—		(1.5)	
Provision for income taxes (8)	**(2.7)**		(2.3)		(13.2)	
Total Adjustments:	**5.4**	**0.07**	(3.8)	(0.05)	**46.4**	0.61
Adjusted Net Income to The Timken Company	**$ 97.9**	**$ 1.27**	$ 87.2	$ 1.11	**$ 362.4**	**$ 4.68**

(1) Adjustments are pre-tax, with the net tax provision listed separately.

(2) Impairment, restructuring and reorganization charges (including items recorded in cost of products sold) relate to: (i) plant closures; (ii) the rationalization of certain plants and (iii) severance related to cost reduction initiatives. The Company re-assesses its operating footprint and cost structure periodically, and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

(3) Represents property loss and related expenses during the first half of the year (net of insurance proceeds) resulting from flood damage caused by heavy rainstorms that occurred during the first quarter of 2019 in Knoxville, Tennessee, that impacted one of the Company's warehouses.

(4) Acquisition-related charges in 2019 primarily related to the Rollon S.p.A. ("Rollon") and The Diamond Chain Company ("Diamond Chain") acquisitions, including transaction costs and inventory step-up impact.

(5) The gain on sale of real estate related to the sale of a manufacturing facility in Pulaski, Tennessee during the first quarter of 2019. This amount was recorded in other income.

(6) The Brazil legal matter represents expense recorded to establish a liability associated with an investigation into alleged antitrust violations in the bearing industry that was initiated in October 2014. Refer to the Contingencies footnote within the second quarter 2019 Form 10-Q for additional discussion.

(7) Represents the noncontrolling interest impact of the adjustments listed above.

(8) Provision for income taxes includes the net tax impact on pre-tax adjustments (listed above), the impact of discrete tax items recorded during the respective periods, as well as other adjustments to reflect the use of one overall effective tax rate on adjusted pre-tax income in interim periods.

GAAP Reconciliation: Consolidated EBIT & EBIT Margin

Reconciliation of EBIT to GAAP Net Income, and EBIT and EBITDA Margin, After Adjustments, to Net Income as a Percentage of Sales, and EBIT and EBITDA, After Adjustments, to Net Income:

(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes consolidated earnings before interest and taxes (EBIT) is a non-GAAP measure that is useful to investors as it is representative of the Company's performance and that it is appropriate to compare GAAP net income to consolidated EBIT. Management also believes that non-GAAP measures of adjusted EBIT, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBIT margin and adjusted EBITDA margin are useful to investors as they are representative of the Company's core operations and are used in the management of the business, including decisions concerning the allocation of resources and assessment of performance.

(Dollars in millions)	**Three Months Ended June 30,**				**Twelve Months Ended June 30,**	
	2019	**Percentage to Net Sales**	2018	Percentage to Net Sales	2019	Percentage to Net Sales
Net Income	**$ 94.9**	**9.5%**	$ 91.9	10.1%	$ 323.3	8.6%
Provision for income taxes	**33.6**	**3.4%**	30.2	3.3%	119.0	3.2%
Interest expense	**19.3**	**1.9%**	10.7	1.2%	68.3	1.8%
Interest income	**(1.1)**	**(0.1)%**	(0.5)	—%	(3.6)	(0.1)%
Consolidated EBIT	**$ 146.7**	**14.7%**	$ 132.3	14.6%	$ 507.0	13.4%
Adjustments:						
Impairment, restructuring and reorganization charges [(1)]	**$ 2.2**	**0.2%**	$ 0.7	0.1%	$ 7.9	0.2%
Property loss and related expenses from flood damage [(2)]	**(0.2)**	**—%**	—	—%	5.8	0.2%
Acquisition-related charges [(3)]	**3.1**	**0.3%**	0.2	—%	28.3	0.8%
Brazilian legal matter [(4)]	**3.3**	**0.3%**	—	—%	3.3	0.1%
Gain on sale of real estate [(5)]	**—**	**—%**	—	—%	(1.7)	—%
Corporate pension-related charges	**—**	**—%**	(2.4)	(0.3)%	15.0	0.4%
Tax indemnification and related items	**—**	**—%**	—	—%	1.7	—%
Loss on divestiture	**—**	**—%**	—	—%	0.8	—%
Total Adjustments	**8.4**	**0.8%**	(1.5)	(0.2)%	61.1	1.6%
Adjusted EBIT	**$ 155.1**	**15.5%**	$ 130.8	14.4%	$ 568.1	15.1%

(1) Impairment, restructuring and reorganization charges (including items recorded in cost of products sold) relate to: (i) plant closures; (ii) the rationalization of certain plants and (iii) severance related to cost reduction initiatives. The Company re-assesses its operating footprint and cost structure periodically, and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

(2) Represents property loss and related expenses during the first half of the year (net of insurance proceeds) resulting from flood damage caused by heavy rainstorms that occurred during the first quarter of 2019 in Knoxville, Tennessee, that impacted one of the Company's warehouses.

(3) Acquisition-related charges in 2019 primarily related to the Rollon and Diamond Chain acquisitions, including transaction costs and inventory step-up impact.

(4) The Brazil legal matter represents expense recorded to establish a liability associated with an investigation into alleged antitrust violations in the bearing industry that was initiated in October 2014. Refer to the Contingencies footnote within the second quarter 2019 Form 10-Q for additional discussion.

(5) The gain on sale of real estate related to the sale of a manufacturing facility in Pulaski, Tennessee during the first quarter of 2019. This amount was recorded in other income.

GAAP Reconciliation: Segment EBIT & EBIT Margin

Reconciliation of segment EBIT Margin, After Adjustments, to segment EBIT as a Percentage of Sales and segment EBIT, After Adjustments, to segment EBIT:

(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's Mobile Industries and Process Industries segment performance deemed useful to investors. Management believes that non-GAAP measures of adjusted EBIT and adjusted EBIT margin for the segments are useful to investors as they are representative of each segment's core operations and are used in the management of the business, including decisions concerning the allocation of resources and assessment of performance.

Mobile Industries

(Dollars in millions)	Twelve Months Ended June 30, 2019	Percentage of Net Sales
Earnings before interest and taxes (EBIT)	$ 213.6	11.1%
Impairment, restructuring and reorganization charges [(1)]	2.9	0.2%
Loss on divestiture	0.8	—%
Gain on sale of real estate [(2)]	(1.7)	(0.1)%
Property loss and related expenses from flood damage [(3)]	5.8	0.3%
Acquisition-related charges [(4)]	3.2	0.2%
Adjusted EBIT	$ 224.6	11.7%

Process Industries

(Dollars in millions)	Twelve Months Ended June 30, 2019	Percentage of Net Sales
Earnings before interest and taxes (EBIT)	$ 370.8	20.0%
Impairment, restructuring and reorganization charges [(1)]	3.6	0.2%
Acquisition-related charges [(4)]	14.4	0.8%
Adjusted EBIT	$ 388.8	21.0%

[(1)] Impairment, restructuring and reorganization charges (including items recorded in cost of products sold) relate to: (i) plant closures; (ii) the rationalization of certain plants and (iii) severance related to cost reduction initiatives. The Company re-assesses its operating footprint and cost structure periodically, and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

[(2)] The gain on sale of real estate related to the sale of a manufacturing facility in Pulaski, Tennessee during the first quarter of 2019. This amount was recorded in other income.

[(3)] Represents property loss and related expenses during the first half of the year (net of insurance proceeds) resulting from flood damage caused by heavy rainstorms that occurred during the first quarter of 2019 in Knoxville, Tennessee, that impacted one of the Company's warehouses.

[(4)] Acquisition-related charges in 2019 primarily related to the Rollon and Diamond Chain acquisitions, including transaction costs and inventory step-up impact.

GAAP Reconciliation: Net Debt & Net Debt to Capital

Reconciliation of Total Debt to Net Debt and the Ratio of Net Debt to Capital to the Ratio of Total Debt to Capital:

(Unaudited)

These reconciliations are provided as additional relevant information about the Company's financial position deemed useful to investors. Capital, used for the ratio of total debt to capital, is a non-GAAP measure defined as total debt plus total shareholders' equity. Capital, used for the ratio of net debt to capital, is a non-GAAP measure defined as total debt less cash, cash equivalents and restricted cash plus total shareholders' equity. Management believes Net Debt and the Ratio of Net Debt to Capital are important measures of the Company's financial position, due to the amount of cash and cash equivalents on hand.

(Dollars in millions)

	June 30, 2019	December 31, 2018
Short-term debt, including current portion of long-term debt	**$ 46.3**	$ 43.0
Long-term debt	**1,642.6**	1,638.6
Total Debt	**$ 1,688.9**	$ 1,681.6
Less: Cash, cash equivalents and restricted cash	**(167.4)**	(133.1)
Net Debt	**$ 1,521.5**	$ 1,548.5
Total Equity	**$ 1,783.6**	$ 1,642.7
Ratio of Net Debt to Capital	**46.0%**	48.5%

GAAP Reconciliation: Consolidated EBITDA

Reconciliation of EBIT, EBIT, After Adjustments, EBITDA, After Adjustments, and Pro Forma EBITDA, After Adjustments, to GAAP Net Income:

(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes consolidated earnings before interest and taxes (EBIT) is a non-GAAP measure that is useful to investors as it is representative of the Company's performance and that it is appropriate to compare GAAP net income to consolidated EBIT. Management also believes that non-GAAP measures of adjusted EBIT and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) is useful to investors as they are representative of the Company's core operations and are used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management also believes that the non-GAAP measure of adjusted Pro Forma EBITDA is useful to investors as it is representative of the Company's performance including a full year impact from acquired companies.

(Dollars in millions)	Twelve Months Ended June 30, 2019	Twelve Months Ended December 31, 2018
Net Income	**$ 323.3**	$ 305.5
Provision for income taxes	**119.0**	102.6
Interest expense	**68.3**	51.7
Interest income	**(3.6)**	(2.1)
Consolidated EBIT	**$ 507.0**	$ 457.7
Adjustments:		
Impairment, restructuring and reorganization charges [1]	**$ 7.9**	$ 7.1
Acquisition-related charges [2]	**28.3**	20.6
Brazil legal matter [3]	**3.3**	—
Gain on sale of real estate [4]	**(1.7)**	—
Loss on divestiture [5]	**0.8**	0.8
Corporate pension-related charges [6]	**15.0**	12.8
Flood property damage and expenses [7]	**5.8**	—
Tax indemnification and related items	**1.7**	1.5
Total Adjustments	**61.1**	42.8
Adjusted EBIT	**$ 568.1**	$ 500.5
Depreciation and amortization	**156.4**	146.0
Adjusted EBITDA [8]	**$ 724.5**	$ 646.5
Pro Forma Estimated Adjusted EBITDA from acquisitions [9]	**20.0**	45.0
Pro Forma Adjusted EBITDA [10]	**$ 744.5**	$ 691.5

[1] Impairment, restructuring and reorganization charges (including items recorded in cost of products sold) relate to: (i) plant closures; (ii) the rationalization of certain plants and (iii) severance related to cost reduction initiatives. The Company re-assesses its operating footprint and cost structure periodically, and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

[2] Acquisition-related charges in 2019 related to the ABC Bearings Limited ("ABC Bearings"), Apiary Investment Holdings Limited ("Cone Drive"), Rollon and Diamond Chain acquisitions, including transaction costs and inventory step-up impact. In 2018, acquisition charges related to ABC Bearings, Cone Drive and Rollon acquisitions.

[3] The Brazil legal matter represents expense recorded to establish a liability associated with an investigation into alleged antitrust violations in the bearing industry that was initiated in October 2014. Refer to the Contingencies footnote within the second quarter 2019 Form 10-Q for additional discussion.

[4] The gain on sale of real estate related to the sale of a manufacturing facility in Pulaski, Tennessee during the first quarter of 2019. This amount was recorded in other income.

[5] Loss on divestiture relates to the sale of Groeneveld Information Technology Holding B.V. located in Gorinchem, Netherlands.

[6] Corporate pension-related charges represent curtailments and actuarial (gains) and losses that resulted from the remeasurement of pension plan assets and obligations as a result of changes in assumptions. The Company recognizes actuarial (gains) and losses through earnings in connection with the annual remeasurement in the fourth quarter, or on an interim basis if specific events trigger a remeasurement.

[7] Represents property loss and related expenses during the first half of the year (net of insurance proceeds) resulting from flood damage caused by heavy rainstorms that occurred during the first quarter of 2019 in Knoxville, Tennessee, that impacted one of the Company's warehouses.

[8] Twelve months trailing adjusted EBITDA reflects results from acquired companies from the acquisition date through June 30, 2019 and December 31, 2018, respectively.

[9] Pro Forma adjusted EBITDA from acquisitions reflects the estimated twelve months trailing EBITDA results from acquired companies through June 30, 2019 and December 31, 2018, respectively, less EBITDA included above.

[10] Twelve months trailing pro forma adjusted EBITDA reflects estimated results from acquired companies for the last twelve months through June 30, 2019 and December 31, 2018, respectively.

GAAP Reconciliation: Consolidated EBIT & EBIT Margin

Reconciliation of EBIT to GAAP Net Income, and EBIT Margin, After Adjustments, to Net Income as a Percentage of Sales and EBIT, After Adjustments, to Net Income: (Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes consolidated earnings before interest and taxes (EBIT) is a non-GAAP measure that is useful to investors as it is representative of the Company's performance and that it is appropriate to compare GAAP net income to consolidated EBIT. Management also believes that non-GAAP measures of adjusted EBIT and adjusted EBIT margin are useful to investors as they are representative of the Company's core operations and are used in the management of the business, including decisions concerning the allocation of resources and assessment of performance.

(Dollars in millions)	Twelve Months Ended December 31,					
	2018	2017	2016	2016 As Reported [1]	2015	2015 As Reported [1]
Net Sales	$ 3,580.8	$ 3,003.8	$ 2,669.8	$ 2,669.8	$ 2,872.3	$ 2,872.3
Net Income	305.5	202.3	141.1	152.9	191.4	(68.0)
Provision for income taxes (as reported)	102.6	57.6	60.5	69.2	26.3	(121.6)
Interest expense	51.7	37.1	33.5	33.5	33.4	33.4
Interest income	(2.1)	(2.9)	(1.9)	(1.9)	(2.7)	(2.7)
Consolidated EBIT	$ 457.7	$ 294.1	$ 233.2	$ 253.7	$ 248.4	$ (158.9)
Consolidated EBIT Margin (%of net sales)	12.8%	9.8%	8.7%	9.5%	8.6%	-5.5%
Adjustments:						
CDSOA income, net of expense	-	-	(59.6)	(59.6)	-	-
Pension-related charges [2]	12.8	18.1	67.0	28.1	100.0	465.0
Impairment and restructuring charges [3]	7.1	13.1	28.0	28.0	15.9	15.9
Loss (gain) on divestitures and sale of real estate	0.8	(3.6)	(0.5)	(0.5)	(28.7)	(28.7)
Acquisition-related charges	20.6	9.0	4.2	4.2	5.7	5.7
Tax Indemnification and related items	1.5	(1.0)	-	-	-	-
Health care plan modification costs	-	(0.7)	2.9	2.9	-	-
Fixed asset write-off	-	-	-	-	9.7	9.7
Total Adjustments	42.8	34.9	42.0	3.1	102.6	467.6
Adjusted EBIT	$ 500.5	$ 329.0	$ 275.2	$ 256.8	$ 351.0	$ 308.7
Adjusted EBIT Margin (%of net sales)	14.0%	11.0%	10.3%	9.6%	12.2%	10.7%

(1) 2015-2016 results depicted above are as originally reported and prior to the adoption of mark-to-market accounting.

(2) Pension related charges represent curtailments, professional fees associated with pension de-risking and actuarial gains and losses that resulted from the remeasurement of pension plan assets and obligations as a result of changes in assumptions. The Company recognizes actuarial gains and losses through earnings in connection with the annual remeasurement in the fourth quarter, or on an interim basis if specific events trigger a remeasurement. Pension related charges also include pension settlement charges.

(3) Impairment and restructuring charges, including items recorded in cost of products sold, are related to plant closures, the rationalization of certain plants and severance related to cost reduction initiatives. The Company re-assesses its operating footprint and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

GAAP Reconciliation: Net Income & EPS

Reconciliations of Adjusted Net Income to GAAP Net Income and Adjusted Earnings Per Share to GAAP Earnings Per Share:
(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes that the non-GAAP measures of adjusted net income and adjusted diluted earnings per share are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting adjusted net income and adjusted diluted earnings per share is useful to investors as these measures are representative of the Company's core operations.

(Dollars in millions, except share data)	Twelve Months Ended December 31,					
	2018	2017	2016	2016 As Reported [1]	2015	2015 As Reported [1]
Net Income (Loss) Attributable to The Timken Company	$ 302.8	$ 203.4	$ 140.8	$ 152.6	$ 188.6	$ (70.8)
Adjustments:						
CDSOA income, net of expense	-	-	(59.6)	(59.6)	-	-
Pension related charges[2]	12.8	18.1	67.0	28.1	100.0	465.0
Impairment and restructuring charges[3]	7.1	13.1	28.0	28.0	15.9	15.9
Loss (gain) on divestitures and sale of real estate	0.8	(3.6)	(0.5)	(0.5)	(28.7)	(28.7)
Acquisition related charges	20.6	9.0	4.2	4.2	5.7	5.7
Tax Indemnification and related items	1.5	(1.0)	-	-	-	-
Health care plan modification costs	-	(0.7)	2.9	2.9	-	-
Fixed asset write-off	-	-	-	-	9.7	9.7
Noncontrolling interest	(1.3)	-	-	-	-	-
Provision for income taxes	(16.8)	(30.8)	(13.8)	0.5	(74.6)	(207.7)
Total Adjustments	24.7	4.1	28.2	3.6	28.0	259.9
Adjusted Net Income	$ 327.5	$ 207.5	$ 169.0	$ 156.2	$ 216.6	$ 189.1
Diluted Earnings per Share (EPS) - Continuing Operations	$ 3.86	$ 2.58	$ 1.78	$ 1.92	$ 2.21	$ (0.84)
Adjusted EPS - Continuing Operations	$ 4.18	$ 2.63	$ 2.13	$ 1.97	$ 2.54	$ 2.21
Diluted Shares	78,337,481	78,911,149	79,234,324	79,234,324	85,346,246	85,346,246

[1] 2015-2016 results depicted above are as originally reported and prior to the adoption of mark-to-market accounting.

[2] Pension related charges represent curtailments, professional fees associated with pension de-risking and actuarial gains and losses that resulted from the remeasurement of pension plan assets and obligations as a result of changes in assumptions. The Company recognizes actuarial gains and losses through earnings in connection with the annual remeasurement in the fourth quarter, or on an interim basis if specific events trigger a remeasurement. Pension related charges also include pension settlement charges.

[3] Impairment and restructuring charges, including items recorded in cost of products sold, are related to plant closures, the rationalization of certain plants and severance related to cost reduction initiatives. The Company re-assesses its operating footprint and makes adjustments as needed that result in restructuring charges. However, management believes these actions are not representative of the Company's core operations.

GAAP Reconciliation: Adjusted ROIC

Reconciliation of Adjusted Return on Invested Capital:
(Unaudited)

The following reconciliation is provided as additional relevant information about the Company's performance deemed useful to investors. Management believes adjusted return on invested capital ("ROIC") is useful to investors as it is representative of the Company's performance. Adjusted ROIC is defined as adjusted net operating profit after taxes ("ANOPAT") divided by average invested capital. The Company uses ANOPAT/Average Invested Capital as a non-GAAP ratio that indicates return on invested capital, which is useful to investors as a measure of return on their investment.

(Dollars in millions)	Twelve Months Ended December 31,							
	2018	2017	2016	2016 As Reported [1]	2015	2015 As Reported [1]	2014	2014 As Reported [1]
Adjusted EBIT	$ 500.5	$ 329.0	$ 275.2	$ 256.8	$ 351.0	$ 308.7		
Adjusted tax rate	26.5%	30.0%	30.5%	30.5%	31.0%	31.0%		
Calculated income taxes	132.6	98.7	83.9	78.3	108.8	95.7		
Adjusted net operating profit after taxes (ANOPAT)	$ 367.9	$ 230.3	$ 191.3	$ 178.5	$ 242.2	$ 213.0		
Total debt	$ 1,681.6	$ 962.3	$ 659.2	$ 659.2	$ 656.5	$ 656.5	$ 526.4	$ 526.4
Total equity	1,642.7	1,474.9	1,310.9	1,306.0	1,349.6	1,344.6	1,594.3	1,589.1
Invested capital (Total debt + Total equity)	3,324.3	2,437.2	1,970.1	1,965.2	2,006.1	2,001.1	2,120.7	2,115.5
Invested capital (two-point average)	$ 2,880.8	$ 2,203.7	$ 1,988.1	$ 1,983.2	$ 2,063.4	$ 2,058.3		
ANOPAT	$ 367.9	$ 230.3	$ 191.3	$ 178.5	$ 242.2	$ 213.0		
Invested capital (two-point average)	2,880.8	2,203.7	1,988.1	1,983.2	2,063.4	2,058.3		
Adjusted return on invested capital (ROIC)	12.8%	10.5%	9.6%	9.0%	11.7%	10.3%		

[1] 2014-2016 results depicted above are as originally reported and prior to the adoption of mark-to-market accounting.