



Motion Solutions that Change the Game

Craig-Hallum Investor Conference

June 1, 2022

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Chairman, President & CEO

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Safe Harbor Statement

The statements in these slides that relate to future plans, events or performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Examples of forward-looking statements include, among others, statements the Company makes regarding expected operating results, anticipated levels of capital expenditures, the Company's belief that it has sufficient liquidity to fund its business operations, and expectations with respect to the conversion of backlog to sales. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company's current beliefs, expectations and assumptions regarding the future of the Company's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the pace of bookings relative to shipments, the ability to expand into new markets and geographic regions, the success in acquiring new business, the impact of changes in income tax rates or policies, the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses' and governments' responses to the pandemic on our operations and personnel, and on commercial activity and demand across our and our customers' businesses, and on global supply chains; our inability to predict the extent to which the COVID-19 pandemic and related impacts will continue to adversely impact our business operations, financial performance, results of operations, financial position, the prices of our securities and the achievement of our strategic objectives and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. The Company has no obligation or intent to release publicly any revisions to any forward looking statements, whether as a result of new information, future events, or otherwise.

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Global Controlled Motion Company

***Superior expertise in electro-magnetic, mechanical
and electronic motion technology***

***Develops integrated solutions that employ multiple technologies to
“change the game” and add value to customers’ products***

Founded: 1939		IPO: 1969		Nasdaq: AMOT
Market Capitalization	\$352 million	AVG Daily \$ Volume (3 mos.)	\$892 thousand	
Recent Closing Price	\$22.68	Annual Dividend / Yield	\$0.10 / 0.44%	
52 Week Low-High	\$21.14 - \$44.70	Institutional Ownership	58%	
Shares Outstanding	15.5 million	Insider Ownership	18%	

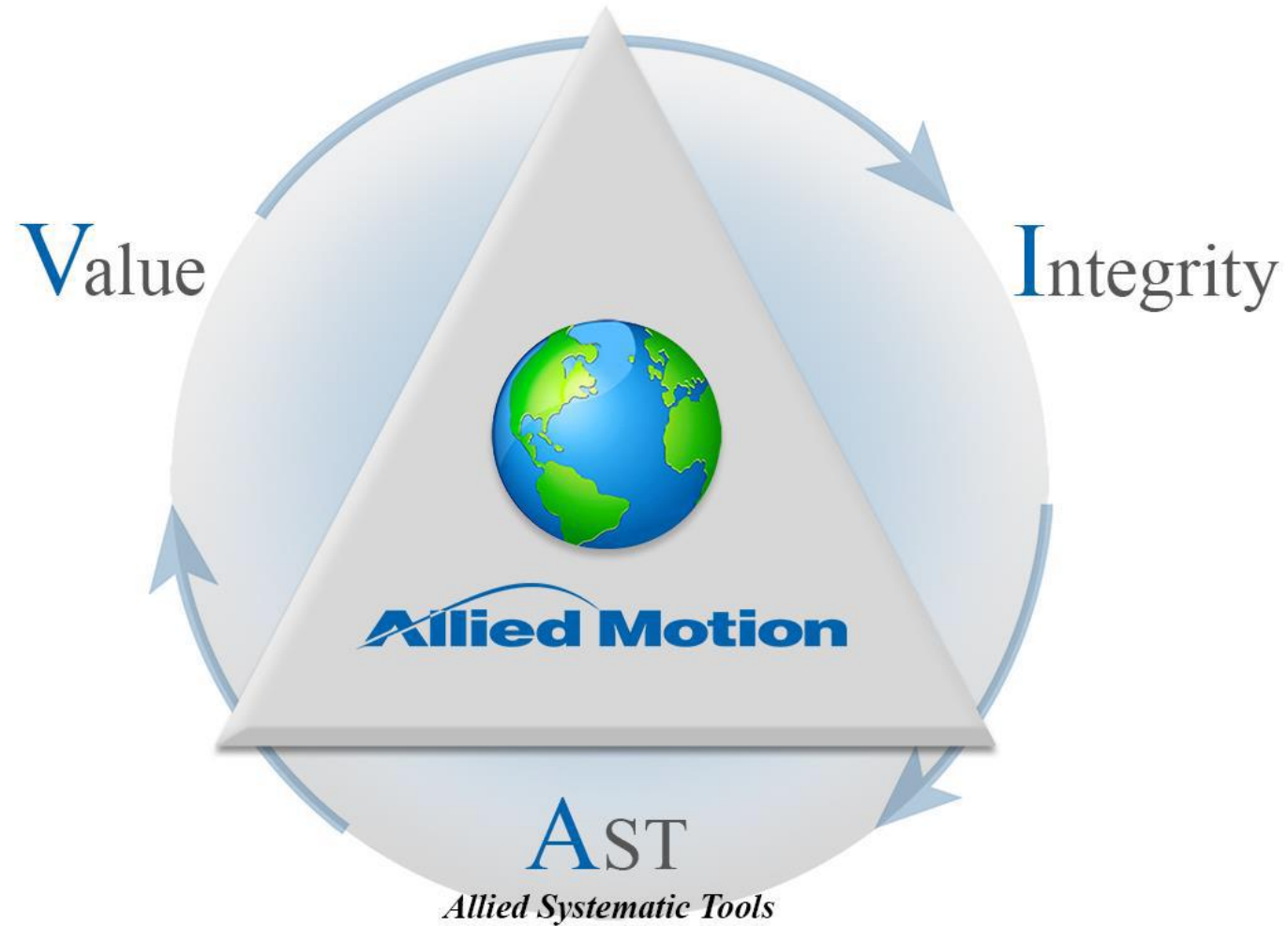
Market data as of May 26, 2022, Source: S&P Global IQ; Shares Outstanding as of May 4, 2022; Ownership as of most recent filing.

Strong Progress on Vision Established in 2001

Become a leading global controlled motion solutions provider in selected target markets

- Create and Drive a long-term global growth strategy, including acquisitions, to consolidate a fragmented market
- Pursue target (niche) markets where we can gain a leadership market position
- Innovate leading edge products and solutions to meet the emerging needs of our target markets
- Develop a Lean Culture by utilizing our lean tool kit to enhance and continuously improve company performance
- Continuously develop talent throughout the organization through training and deployment of Allied Systematic Tools

Our Culture – One Allied



Strategic Business Concept

Controlled Motion Solutions that Change the Game

LEVERAGE SUPERIOR EXPERTISE

in electro-magnetic, mechanical and electronic controlled motion technology/know-how to provide solutions with the most compact, differentiated products or systems that “change the game” and add value to our customers' products.

UTILIZE OUR “ONE-TEAM”

organization to be the controlled motion solutions leader in our selected target markets and to focus on geographic markets where our local support provides an additional competitive advantage.

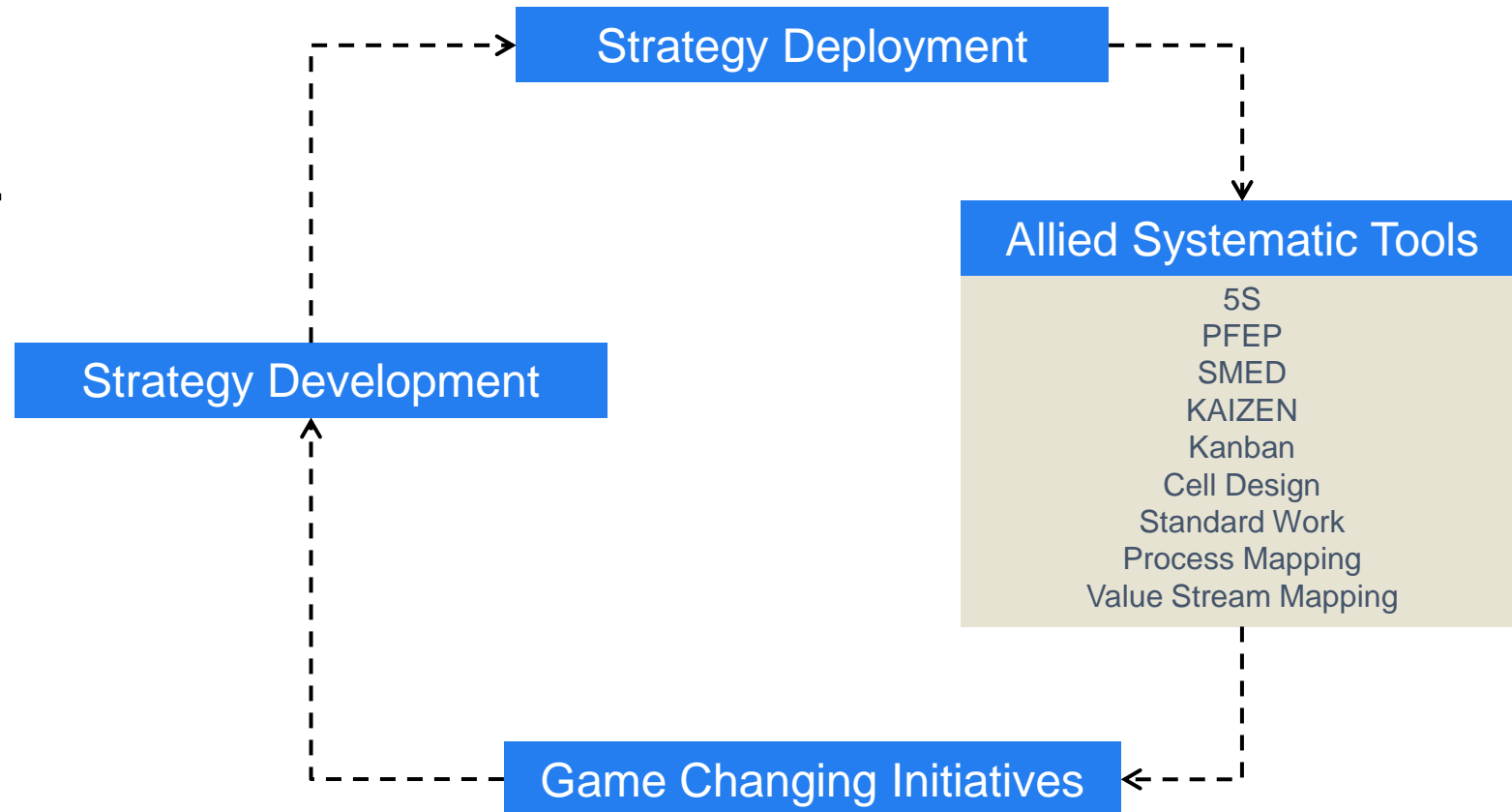
ENHANCE COMPETITIVE POSITION

by utilizing our Operational Excellence Team to foster a zero defect mentality, to assist in the training/development of our workforce and to drive our core culture of continuously improving quality, cost, delivery and innovation in all aspects of our business through the implementation of Allied Systematic ToolsSM (AST).

Committed to Allied Systematic Tools (AST)

Allied's suite of lean enterprise tools designed to achieve world class performance through continuous improvement in **Quality, Delivery, Cost and Growth**

Cycle of Continuous Improvement



Strategic Acquisitions – Advance our Growth Strategy

Complementary Businesses with Attractive Financial Profiles



Mission critical electromechanical automation solutions and motion control products, including multi-axis controls, electronic drives, and actuators for the automation and aerospace industries.

Acquired November 2, 2021



Hexapod robotic systems, air bearing systems, linear and rotary nano-precision systems (with both mechanical and air bearing guides), and systems bespoke for atmospheric, clean room, and ultra-high vacuum environments.

All ALIO's motion control products with TRUE NANO Positioning®

Acquired November 4, 2021

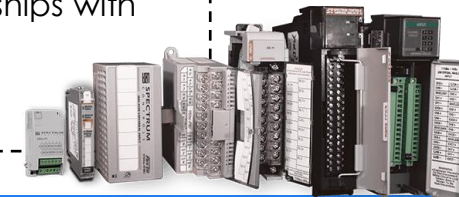


Hybrid Hexapod



Ruggedized and highly sophisticated I/O and Safety I/O modules that meet industrial safety requirements, marquee displays, and a "one box" Universal Industrial Gateway that simultaneously supports multiple communication protocols for industrial control applications through partnerships with PLC manufacturers and distributors.

Acquired December 30, 2021



Universal I/O

Strategic Acquisitions – Advance our Growth Strategy

Complementary Businesses with Attractive Financial Profiles



High performance, zero cogging slotless motors for use in applications in aerospace, defense and medical that require precise motion in a compact, yet high-torque-to-volume solutions.

Acquired May 24, 2022



Technically advanced, reliable and cost-effective electrical drive systems and light weighting technologies for existing and future ground-based vehicles in the defense industry.

Direct drive systems provide high torque and precision motion. FPH also develops composites, advanced materials and hybrid products and systems that achieve significant weight reduction and higher strength.

Acquired May 31, 2022

Electric Drive Systems



Composites, Advanced Materials and Hybrid Solutions

Wide Breadth of Technologies

- Motion Controllers: single-axis & multi-axis
- Drives: Integrated & Stand-Alone
- Motors: Brushless and Brushed DC
- Gearing: Parallel, Inline, Right Angle & Epicyclic
- Encoders: Incremental & Absolute
- Active (electronic) and passive (magnetic) filters for power quality and harmonic issues
- Industrial safety rated I/O Modules, Universal Industrial Communications Gateways
- Nano precision positioning systems

Linear Motion Systems



Slotless Motor Kits



Universal Gateway



Wheelchair Control System



Active Harmonic Filter



Passive Harmonic Filter



Brushless Servo Motors



Optical Encoders



Permanent-Magnet DC Motors



Brushless Torque Motors



Gear Motors



Brushless Drives



Brushless Motor-Drives

Competitive Advantage through Integrated Solutions

Combining our control, drive, motor, gearing and feedback technologies to create a competitive advantage

Power Assist Steering Motor, Drive, Gearing and Communication Bus Solution

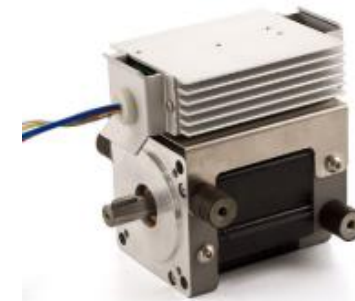


Electric Traction Wheel Drive with Drive, Motor, Gearing, CAN Bus and Steering Option



Automated GPS-Guided Vehicle Steering Module with Torque Motor, Integrated Servo Drive with CAN Bus

Full line of Motor, Drive, Gearing and Communication Bus Solutions for Automation



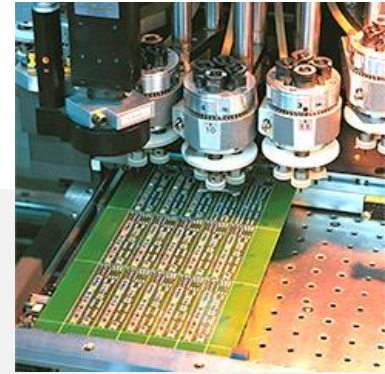
Motor and Drive for Kidney Dialysis Machine Pump

Target Market: Industrial

36% of Q1 22 TTM sales

Markets

Factory automation, material handling, robotics, industrial tools, semiconductor equipment, Oil & Gas



Applications

- Material handling including manned and unmanned vehicle steering and traction and conveyors
- Industrial and specialized robots
- Power quality and power conversion
- Welding wire feeders, conduit benders and a host of "jobsite" tools
- Handling, inspection and testing of components and final products, such as PCs and high resolution printers



Target Market: Vehicle

31% of Q1 22 TTM sales

Markets

Off- and on-road construction and agricultural equipment, trucks, buses, RVs, lift trucks, marine, recreational (ATVs) and utility vehicles



Applications

- Electronic power steering and drive-by-wire applications
- Traction / drive systems, pumps, automated and remotely guided power steering systems
- Actuation systems (e.g., lifts, slide-outs, covers, etc.)
- Mobile HVAC systems
- Alternative fuel systems such as LPG, fuel cell and hybrid vehicles

Target Market: Medical

20% of Q1 22 TTM sales

Markets

Medical devices and equipment, surgical robotics, patient handling and medical mobility



Applications

- Medical Instrumentation: Surgical robots, kidney dialysis machines, respiratory ventilators, heart pumps
- Programmable pumps to meter and administer infusions, pain control and antibiotics
- Advanced, autoclavable surgical handpiece motors
- Global leader for motors in prosthetics
- Patient Mobility: Wheel chairs, scooters, stair lifts, patient lifts, transport tables and hospital beds

Target Market: Aerospace & Defense

8% of Q1 22 TTM sales

Markets

Commercial aviation, aerospace systems, defense systems, unmanned aerial vehicles, NASA

Applications

- Inertial guided missiles, mid-range smart munitions systems
- Weapons systems, ramp, latch, seat and wiper control on armored personnel carriers
- Unmanned vehicles
- Security and access control, camera systems, door access control
- Airport screening and scanning devices



Global Coverage



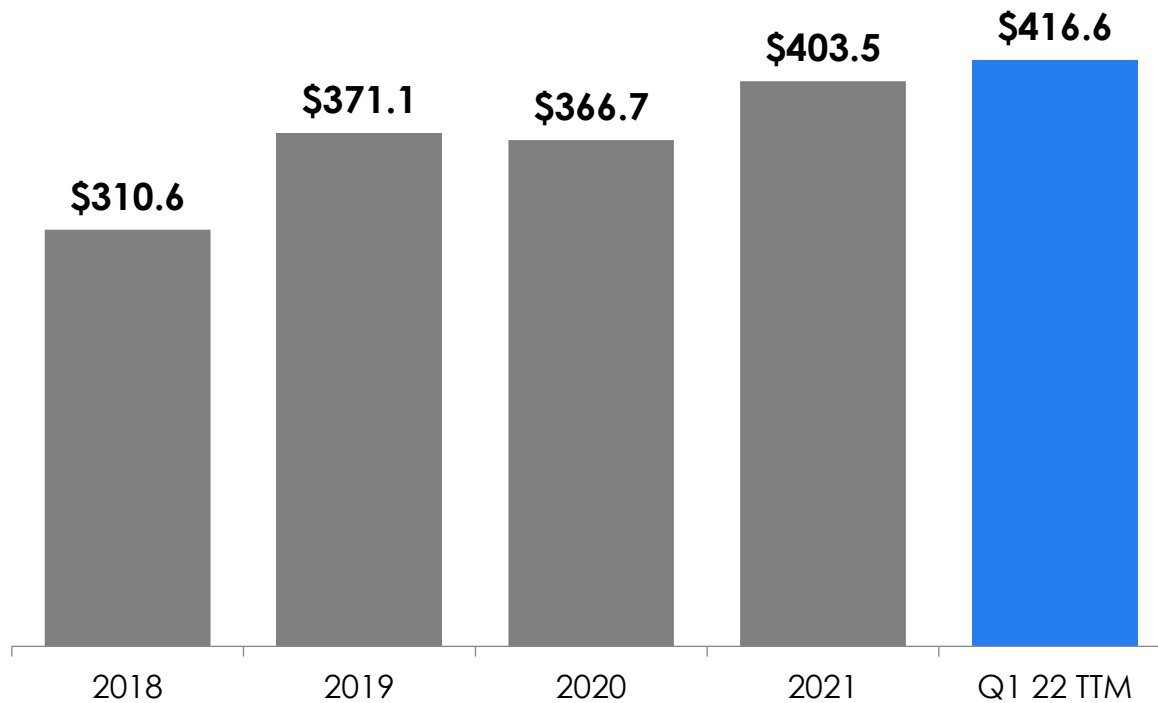


Motion Solutions that Change the Game

Financial Highlights

Record Revenue

(\$ in millions)



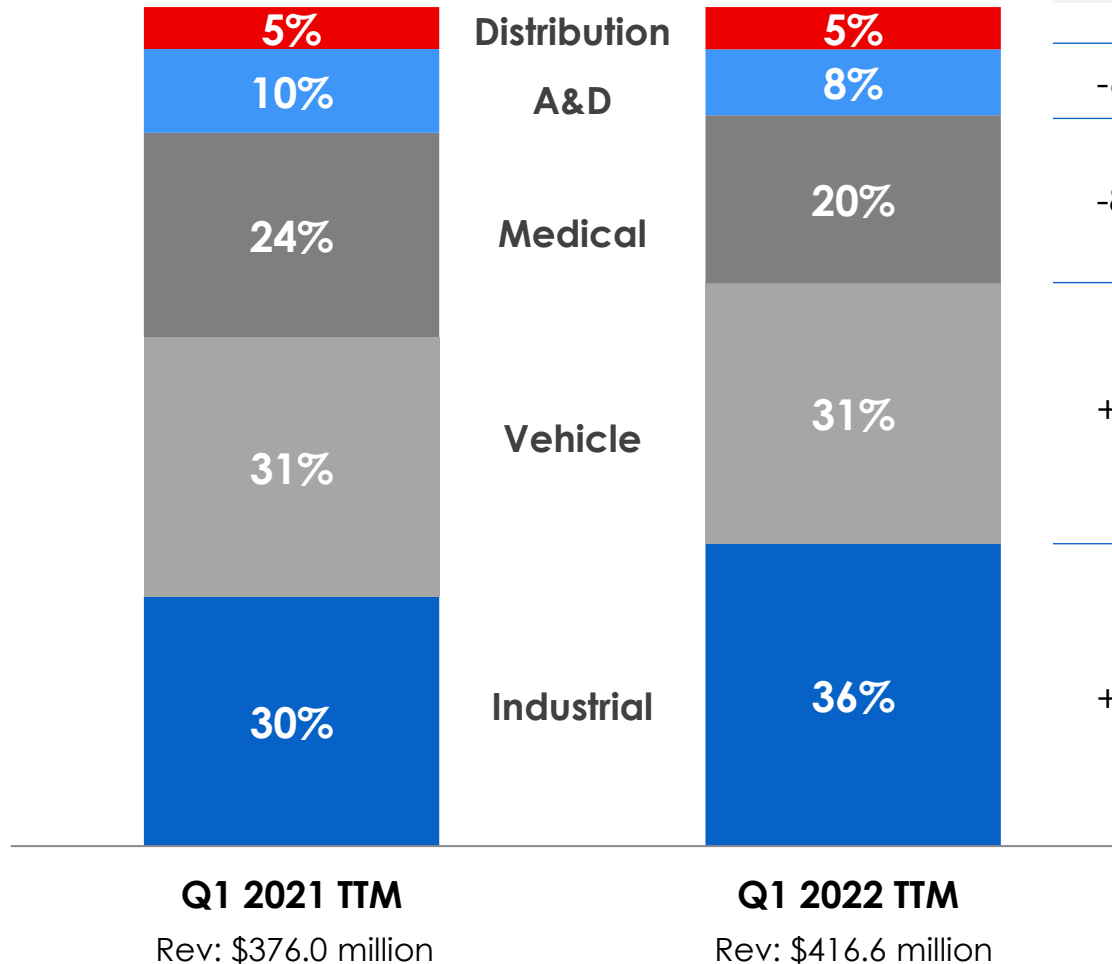
**Ramping new projects
and solutions as
market conditions
continue to improve**

Acquisitions

Spectrum Controls *Dec 2021*
ALIO *Nov 2021*
ORMEC Systems *Nov 2021*
Dynamic Controls *Mar 2020*
TCI *Dec 2018*
Maval *Jan 2018*

Market Diversification Supports Growth Strategy

Revenue by Market (TTM)



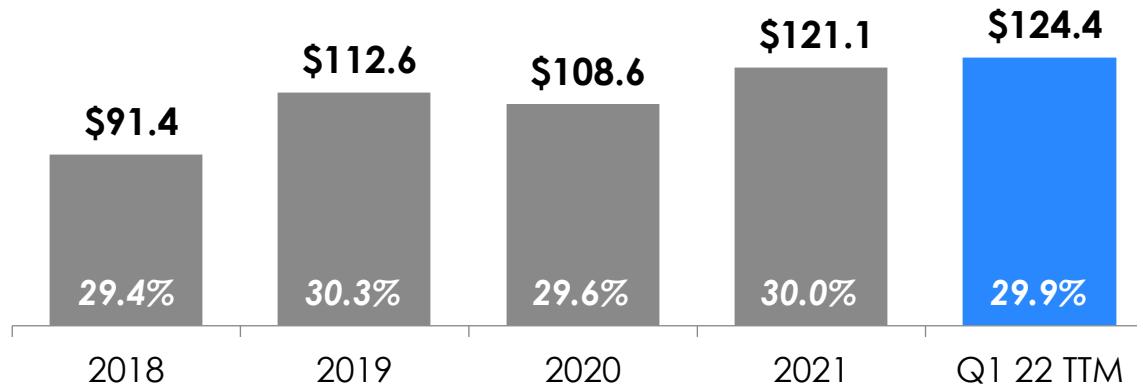
TTM Revenue Change and Market Drivers

-6%	Contributions from recent acquisitions helping offset defense program timing
-8%	Lapping strong prior-period pandemic-related sales, offset by gradual return of elective surgeries
+10%	Strong truck, agricultural and construction vehicle demand more than offset broad supply chain challenges within commercial automotive
+34%	Acquisition contributions plus recovery in key end markets, such as Vehicle handling, industrial automation, pumps, Oil & Gas, and electronics solutions for motor control and instrumentation

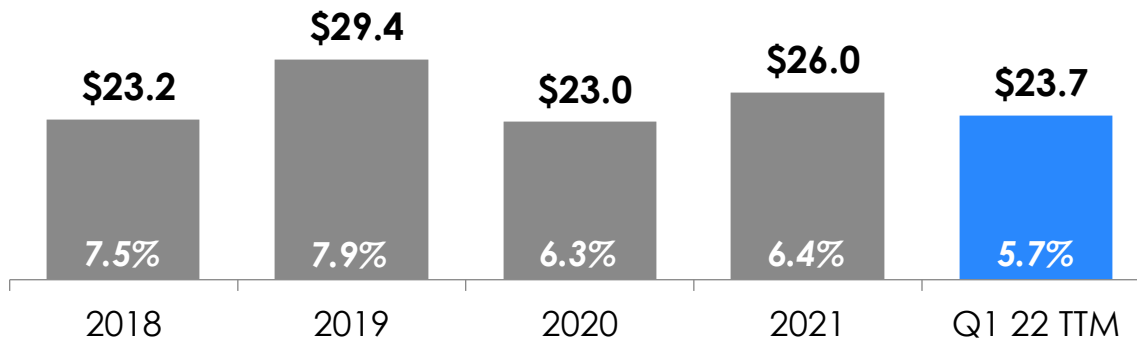
Focus on Margin Improvement

(\$ in millions)

Gross Profit & Margin



Operating Profit & Margin



GM impacts

- + Volume
- + Improved mix
- + Lean tool kit (AST)
- Labor, transportation and material inflation
- Supply chain challenges

General & administrative

10.9% of Q1 22 TTM sales

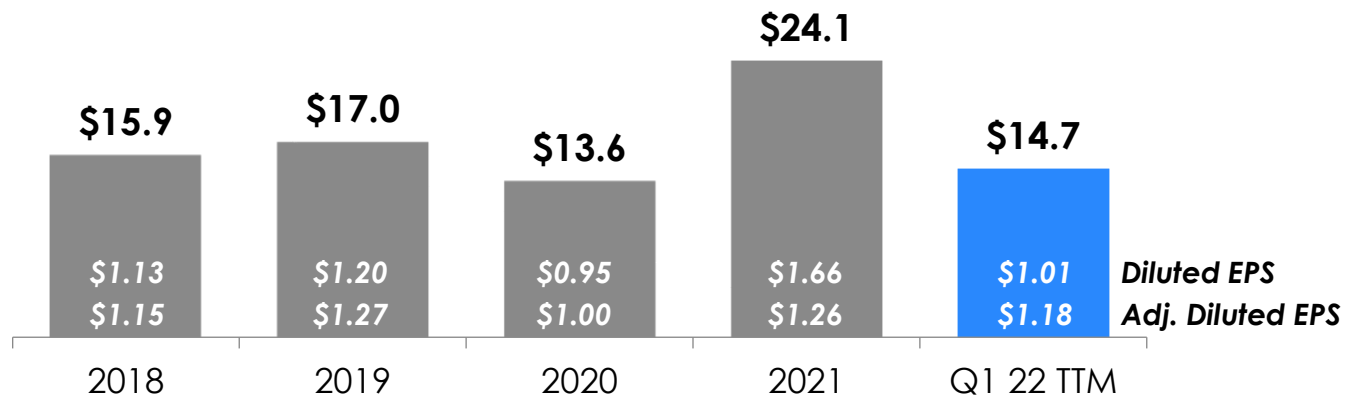
Engineering & development

7.3% of Q1 22 TTM sales

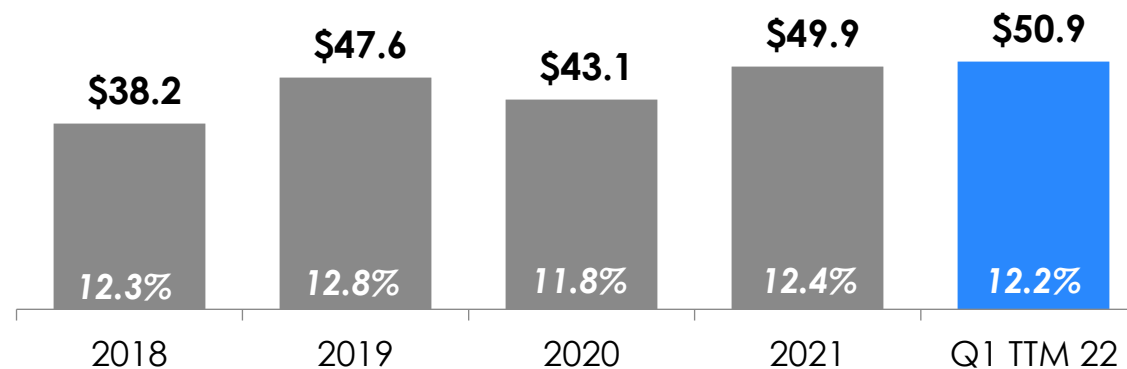
Strong Cash Generation

(\$ in millions, except per share data)

Net Income and Adjusted EPS⁽¹⁾



Adjusted EBITDA⁽²⁾ & Margin



2021 net income reflects a net discrete tax benefit of \$7.4 million relating to new legislation enacted in New Zealand

Expect 24%-26% tax rate in 2022

Expectation as of May 4, 2022

⁽¹⁾ See supplemental slide for Adjusted Net Income reconciliation and other important disclaimers regarding Adjusted Net Income.

⁽²⁾ See supplemental slide for Adjusted EBITDA reconciliation and other important disclaimers regarding Adjusted EBITDA.

Balance Sheet

(\$ in millions)

CAPITALIZATION		
	Mar. 31, 2022	Dec 31, 2021
Cash and cash equivalents	\$ 16.9	\$ 22.5
Total debt	178.6	159.0
Total net debt	161.7	136.5
Shareholders' equity	193.7	187.8
Total capitalization	\$ 372.3	\$ 346.7
Debt/total capitalization	48.0%	45.8%
Net debt/net total capitalization	45.5%	42.1%

Cash usage to support higher levels of inventory to combat supply chain challenges

Approximately half of the debt increase attributable to a new finance lease for a manufacturing facility expansion to support growth

Bank leverage ratio⁽¹⁾ of 3.49x

⁽¹⁾Bank leverage ratio calculated in accordance with the Company's credit agreement
NOTE: Components may not add up to totals due to rounding

Cash Flow

(\$ in millions)

Note: Components may not add to totals due to rounding	Three Months Ended	
	3/31/22	3/31/21
Net cash (used in) provided by operating activities	\$ (13.4)	\$ 5.6
Capital expenditures (CapEx)	(2.5)	(3.1)
Operating free cash flow (FCF)⁽¹⁾	\$(15.9)	\$ 2.5

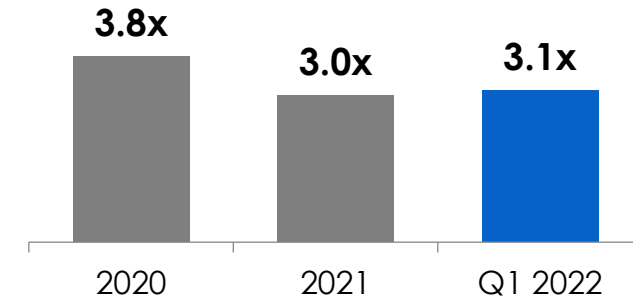
FY22 CapEx: **\$15 - \$20 million⁽²⁾**

⁽¹⁾ Free cash flow is a non-GAAP metric defined as cash flow from operations less capital expenditures

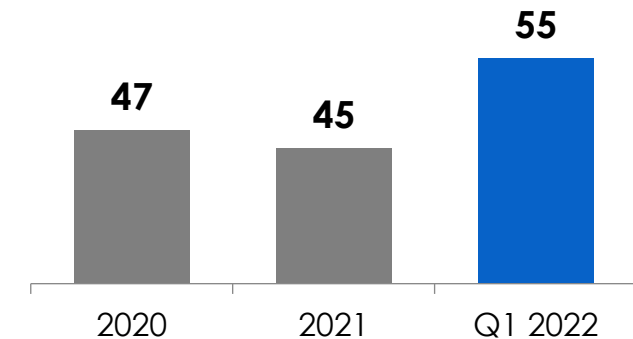
⁽²⁾ 2022 CapEx expectation provided on May 4, 2022

NOTE: Components may not add up to totals due to rounding

Inventory Turnover



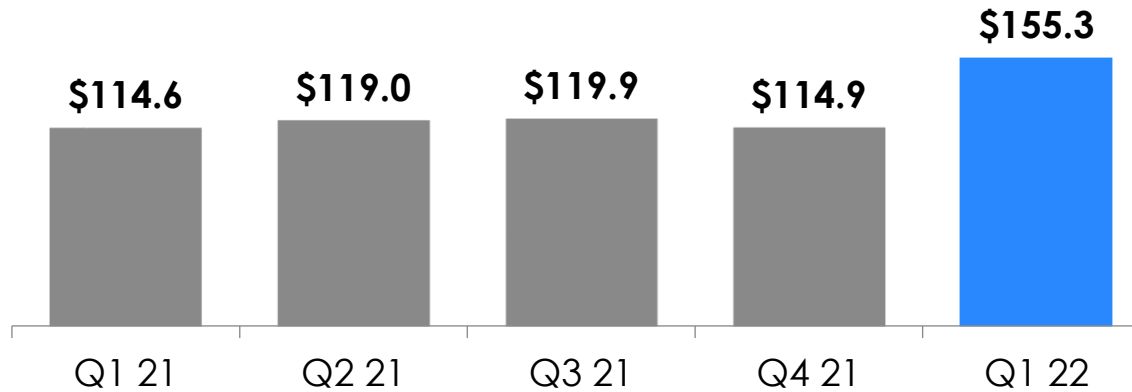
Days Sales Outstanding



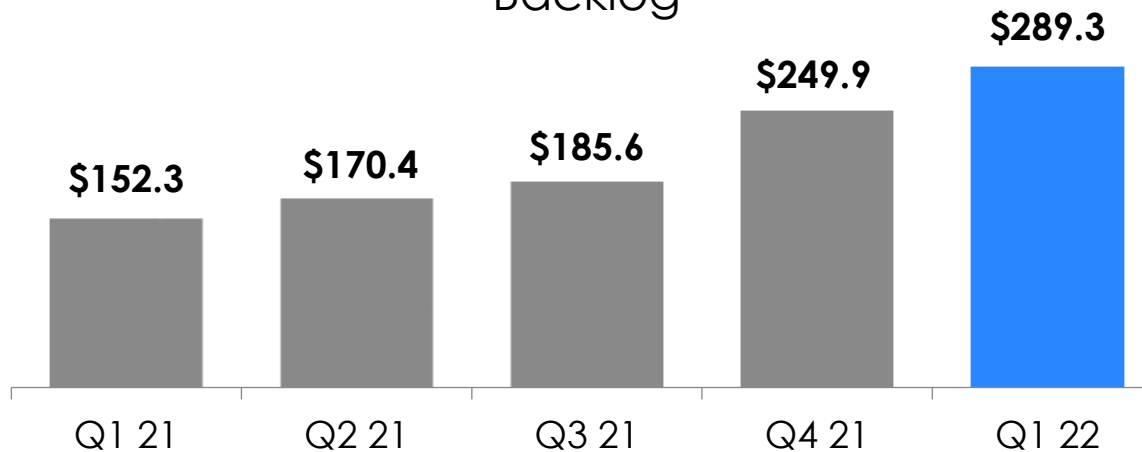
Orders & Backlog

(\$ in millions)

Orders



Backlog



Orders up 35% sequentially and Y/Y

Q1 22 Book:Bill 1.4x

Record backlog up 16% sequentially and 90% Y/Y

Incremental backlog from Q4 21 acquisitions

Majority to ship in three to nine months

Outlook*

- ✓ Confident we can deliver on our long-term strategy and expect to continue to leverage our strengthened competitive position across our target markets
 - *Industrial market demand expected to remain strong*
 - *Vehicle demand will be muted by supply chain disruptions in the short-term, though encouraging production demands for later 2022 and early 2023*
 - *Medical still lapping strong prior-year pandemic-related sales*
 - *A&D demand expected to improve with acquisitions*
- ✓ Continue to supplement efforts with selective strategic acquisitions
- ✓ Continue to contend with supply chain disruptions and inflation
- ✓ Expect 2022 tax rate to be approximately 24% to 26%
- ✓ Expect to invest \$15 million to \$20 million in capital expenditures during FY22

Long-term goal: Increase gross margin by 1% per year



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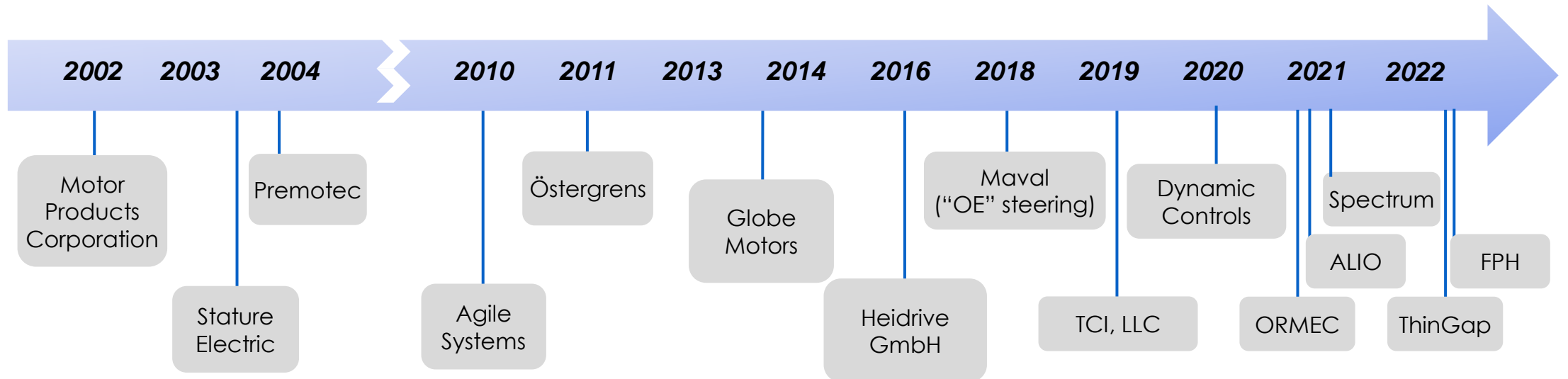
Motion Solutions that Change the Game

Supplemental Information

Acquisition Summary

Added complementary/adjacent technologies, drove geographic expansion/depth, added new customers in target markets

- **2001:** Strategic decision to focus on motion and divest instrumentation business
- **2002:** Motion strategy initiated with \$15.6M in revenue
- **2021:** Motion revenue \$403.5M



Allied Motion Locations

Amherst, NY	Worldwide Headquarters; Solution Center; Electronic Design & Manufacturing
Amherst, NY; Oakville, ON; Ferndown, England; Porto, Portugal	Global Engineering Team (GET) Design & Development Centers
Tulsa, OK (Emoteq Corp.)	Design & Manufacture: Motors and Optical Encoders
Owosso, MI (Motor Products Corp.)	Design & Manufacture: Motors
Watertown, NY (Stature Electric)	Design & Manufacture: Gearing and Geared Motion Solutions; Mechanical Steering System Components
Dordrecht, The Netherlands (Premotec)	Design & Manufacture: Motors
Stockholm, Sweden (Östergrens)	Market Based Engineering and Design Center, GET support, Solution Center
Changzhou, China	Production Center, Solution Center, Motor Design
Dayton, OH (Globe Motors)	Market Based Engineering and Design Center; GET support
Dothan, AL (Globe Motors)	Production Center
Reynosa, Mexico (Globe Motors)	Production Center
Porto, Portugal (Globe Motors)	Production Center, GET Location
Kelheim, Germany (Heidrive GmbH)	Designer and Manufacture: Motors and Motion systems, Solution Center
Mrakov, Czech Republic (Heidrive GmbH)	Production Center
Germantown, WI (TCI, LLC)	Design & Manufacture: Power Filter and Conversion Solutions
Christchurch, New Zealand (Dynamic Controls Group)	Design & Development Center
Kidderminster, England (Dynamic Controls Group)	Sales and Technical Support
Suzhou, China (Dynamic Controls Group)	Manufacturer: Control systems and components
Rochester, NY (ORMEC Systems Corp.)	Design & Manufacture: Electro-mechanical Automation Solutions
Arvada, CO (ALIO Industries)	Design & Manufacture: Nano-Precision Motion Systems
Bellevue, WA (Spectrum Controls)	Design & Manufacture: Industrial I/O and Universal Communications Gateway solutions
Camarillo, CA (ThinGap)	Design & Manufacture: Zero Cogging Slotless Motors
London, Ontario and Roseville, MI (FPH Group)	Design & Manufacture: Electrical Drive Systems and Light Weighting Technologies

Corporate Leadership

Dick Warzala, *Chairman of the Board, President and CEO*

- Joined 2002, appointed CEO in 2009, Chairman in 2014
- Previously, President, Motion Components Group, Danaher Corporation; held various positions at American Precision Industries Inc., including Corporate Vice President and President, API Motion Division
- More than 32 years of motion industry experience

Michael Leach, *Senior Vice President & Chief Financial Officer*

Robert Maida, *Senior Vice President & Group President*

Ashish Bendre, *Vice President & Group President*

Helmut Pirthauer, *Vice President & Group President*

Brendan Neill, *Manager of Legal Affairs/Senior Attorney and Assistant Secretary*

Geoff Rondeau, *Vice President of Operational Excellence*

Competition

Our products and solutions are sold into a global market with a large and diverse group of competitors that vary by product, geography, industry and application.

The motion control market is highly fragmented; some larger competitors include:

- Ametek
- Altra Industrial Motion Corp
- Parker Hannifin Corporation

Unlike many of our competitors, we are unique in our ability to provide custom-engineered motion control solutions that integrate the products we manufacture.

Adjusted Net Income and EPS Reconciliation *(Unaudited)*

(\$ in thousands, except per share data)

	For twelve months ended				
	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Mar 31, 2022
Net income	\$ 15,925	\$ 17,022	\$ 13,643	\$ 24,094	\$ 14,671
Discrete income tax benefit	-	-	-	(7,373)	-
Tax Cuts and Jobs Act Impact	(235)	-	-	-	-
Non-income based tax assessment	-	384	(424)	-	-
Acquisition inventory step-up amortization - net	-	-	-	-	596
Foreign currency gain/loss - net	(120)	79	752	16	66
Business development costs - net	586	81	344	995	1,633
Income tax valuation allowance	-	-	-	506	506
Income tax provision charge	-	433	-	-	-
Non-GAAP Adjusted Net Income	\$ 16,156	\$ 17,999	\$ 14,315	\$ 18,238	\$ 17,472
Average Diluted Shares Outstanding	14,055	14,192	14,333	14,517	14,807
Diluted earnings per share – GAAP	\$1.13	\$1.20	\$0.95	\$1.66	\$1.00
Diluted earnings per share – Non-GAAP	\$1.15	\$1.27	\$1.00	\$1.26	\$1.18

Adjusted net income and diluted EPS are defined as net income as reported, adjusted for non-recurring items. Adjusted net income and diluted EPS are not a measure determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable to the measure as used by other companies. Nevertheless, the Company believes that providing non-GAAP information, such as adjusted net income and diluted EPS are important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS.

NOTE: Components may not add up to totals due to rounding

Adjusted EBITDA Reconciliation *(Unaudited)*

(\$ in thousands)

	For twelve months ended				
	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Mar 31, 2022
Net income	\$ 15,925	\$ 17,022	\$ 13,643	\$ 24,094	\$ 14,671
Interest expense	2,701	5,134	3,716	3,236	3,413
Provision (benefit) for income taxes	4,756	6,819	5,133	(981)	5,755
Depreciation and amortization	11,576	14,857	15,985	18,107	20,111
EBITDA	\$ 34,958	\$ 43,832	\$ 38,477	\$ 44,456	\$ 43,950
Stock compensation expense	2,643	3,203	3,550	4,161	4,713
Foreign currency loss (gain)	(169)	111	1,035	21	83
Business development costs	762	113	473	1,299	2,128
Non-income based tax assessment	-	384	(424)	-	-
Adjusted EBITDA	\$ 38,194	\$ 47,643	\$ 43,111	\$ 49,937	\$ 50,874

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, the Company presents Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, stock compensation expense, foreign currency gains/losses, business development costs and non income based tax assessment), which is a non-GAAP measure. The Company believes Adjusted EBITDA is often a useful measure of a Company's operating performance and is a significant basis used by the Company's management to evaluate and compare the core operating performance of its business from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, stock-based compensation expense, business development costs, foreign currency gains/losses on short-term assets and liabilities, and other items that are not indicative of the Company's core operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income, operating income, net cash provided by operating activities or any other measure for determining operating performance or liquidity that is calculated in accordance with generally accepted accounting principles.