



Motion Solutions that Change the Game

R.W. Baird Global Industrial Conference

November 11, 2021

Dick Warzala
Chairman, President & CEO

Mike Leach
Chief Financial Officer

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	\$608 million	AVG Daily \$ Volume (3 mos.)	\$1.5 million	
Recent Closing Price	\$41.34	Annual Dividend / Yield	\$0.10 / 0.2%	
52 Week Low-High	\$25.02 - \$41.95	Institutional Ownership	61%	
Shares Outstanding	14.7 million	Insider Ownership	17%	

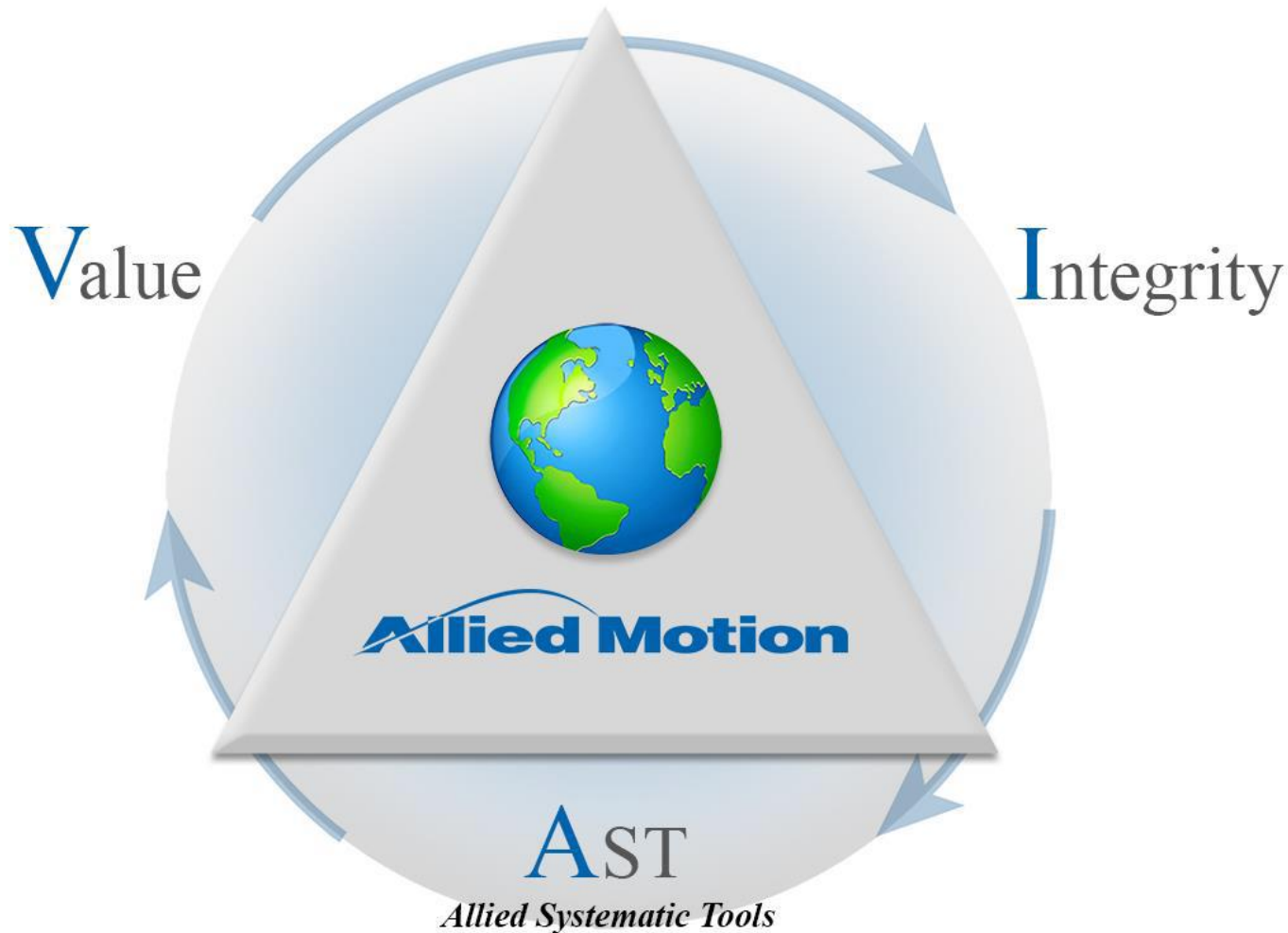
Market data as of November 4, 2021, Source: S&P Global IQ; Shares Outstanding as of November 3, 2021 (pre ALIO acquisition); Ownership as of most recent filing. Shares outstanding reflect 3-for-2 common stock split effective April 30, 2021.

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.

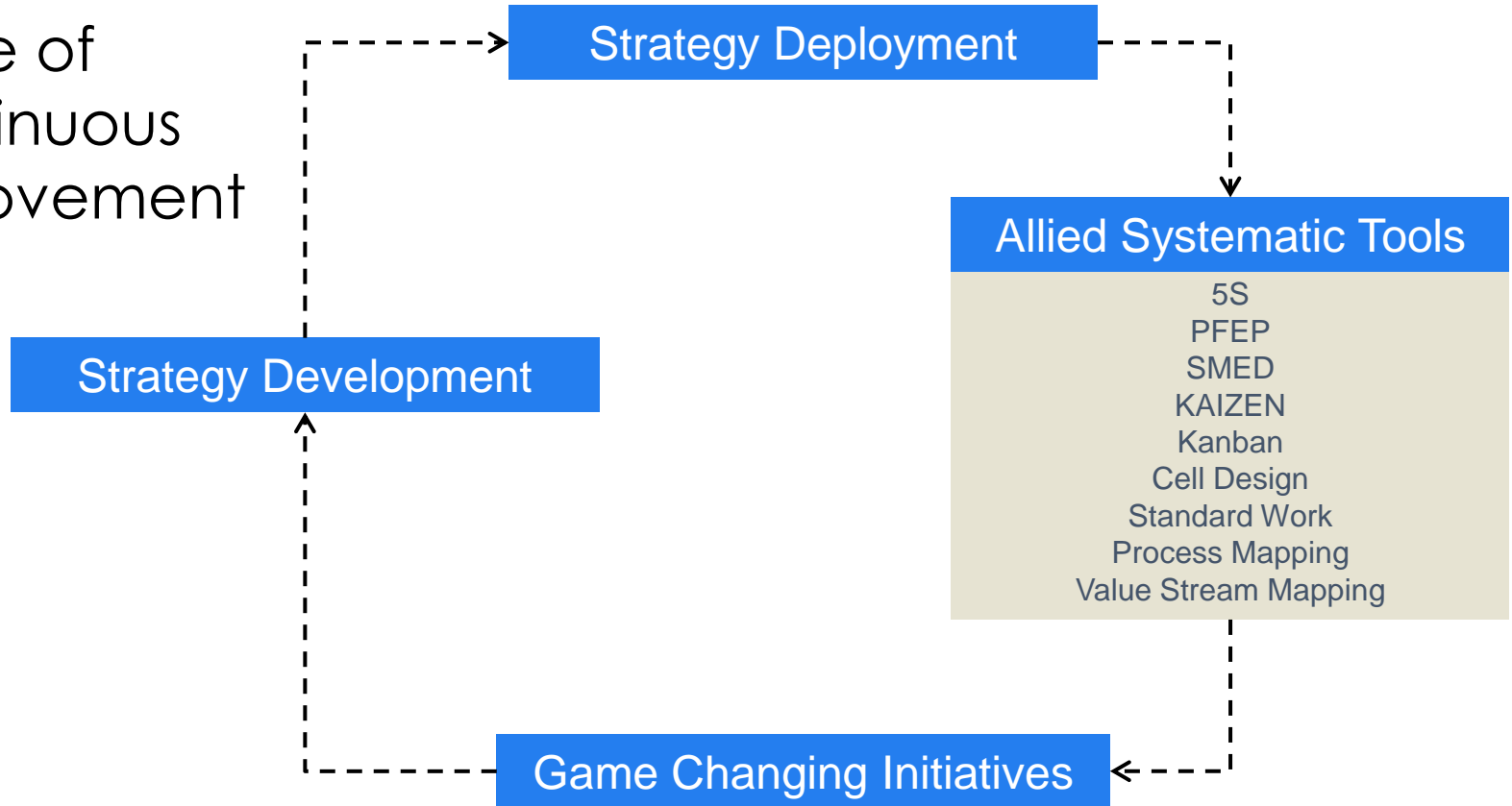
UTILIZE OUR “ONE-TEAM” organization to be the controlled motion solutions leader in our selected target markets and to focus on geographic markets where our local support provides an additional competitive advantage.

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



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
- Mechanical Products for Steering Systems
- Active (electronic) and passive (magnetic) filters for power quality and harmonic issues



Wheelchair Control System



Active Harmonic Filter



Passive Harmonic Filter



Brushless Motor-Drives



Brushless Servo Motors



Optical Encoders



Permanent-Magnet DC Motors



Brushless Torque Motors



Gear Motors



Brushless 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



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



Motor and Drive for Kidney Dialysis Machine Pump



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



Advancing Growth Strategy



Acquisition of ORMEC Systems Corp. on November 2, 2021

Provider of mission critical electro-mechanical automation solutions and motion control products including multi-axis controls, electronic drives and actuators for the automation and aerospace industries.

- Headquartered in Rochester, NY
- Total employees: ~25
- Purchase price: \$9 million
- Dr. Edward Krasnicki will continue to lead the business under Allied

Strategic Rationale:

- ✓ Strengthens technical expertise
- ✓ Adds higher level of precision motion control systems and solutions
- ✓ Believe we can scale the business
- ✓ Expected to be accretive to earnings per share and gross margin profile

Advanced motion controls were used for the Space Shuttle Payload Ground Handling and Robotic Jib mechanisms.



Airframe applications for the C-17 require precise motion control for Wing Join and Major Join assembly as well as Underwing maintenance systems.



Advancing Growth Strategy



Acquisition of ALIO Industries on November 4, 2021

Innovator and manufacturer of advanced linear and rotary motion systems for nano-precision applications.

Expansive product line includes patented Hybrid Hexapod®, which provides for 6 axis point precision repeatability, air bearing systems, linear and rotary nano-precision systems and systems customized for atmospheric, clean room, and ultra-high vacuum environments.

- Headquartered in Arvada, CO
- Total employees: ~15
- Purchase price: \$20 million
(combination \$15M cash and \$5M equity) + earnout
- Bill Hennessey will continue to lead the business under Allied

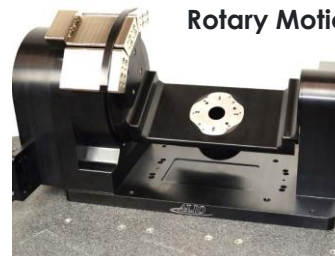
Strategic Rationale:

- ✓ Adds nanometer level positioning and robotic technology solutions
- ✓ Adds engineering talent and advanced manufacturing facility with in-house metrology department
- ✓ Leverage joint channels to market to scale business
- ✓ Expected to be accretive to earnings per share and gross margin profile

Linear Motion Systems



Rotary Motion Systems



Hybrid Hexapod

Less than 100 nm 3-Dimensional 6 axis
Point Precision repeatability.

Target Market: Vehicle

34% of Q3 21 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

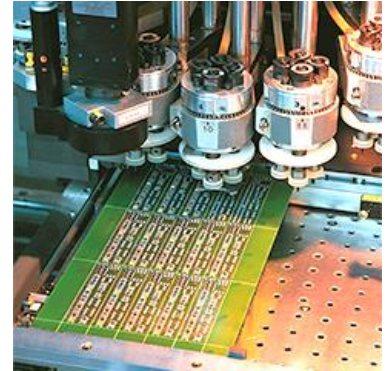


Target Market: Industrial

32% of Q3 21 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: Medical

21% of Q3 21 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 Q3 21 TTM sales

Markets

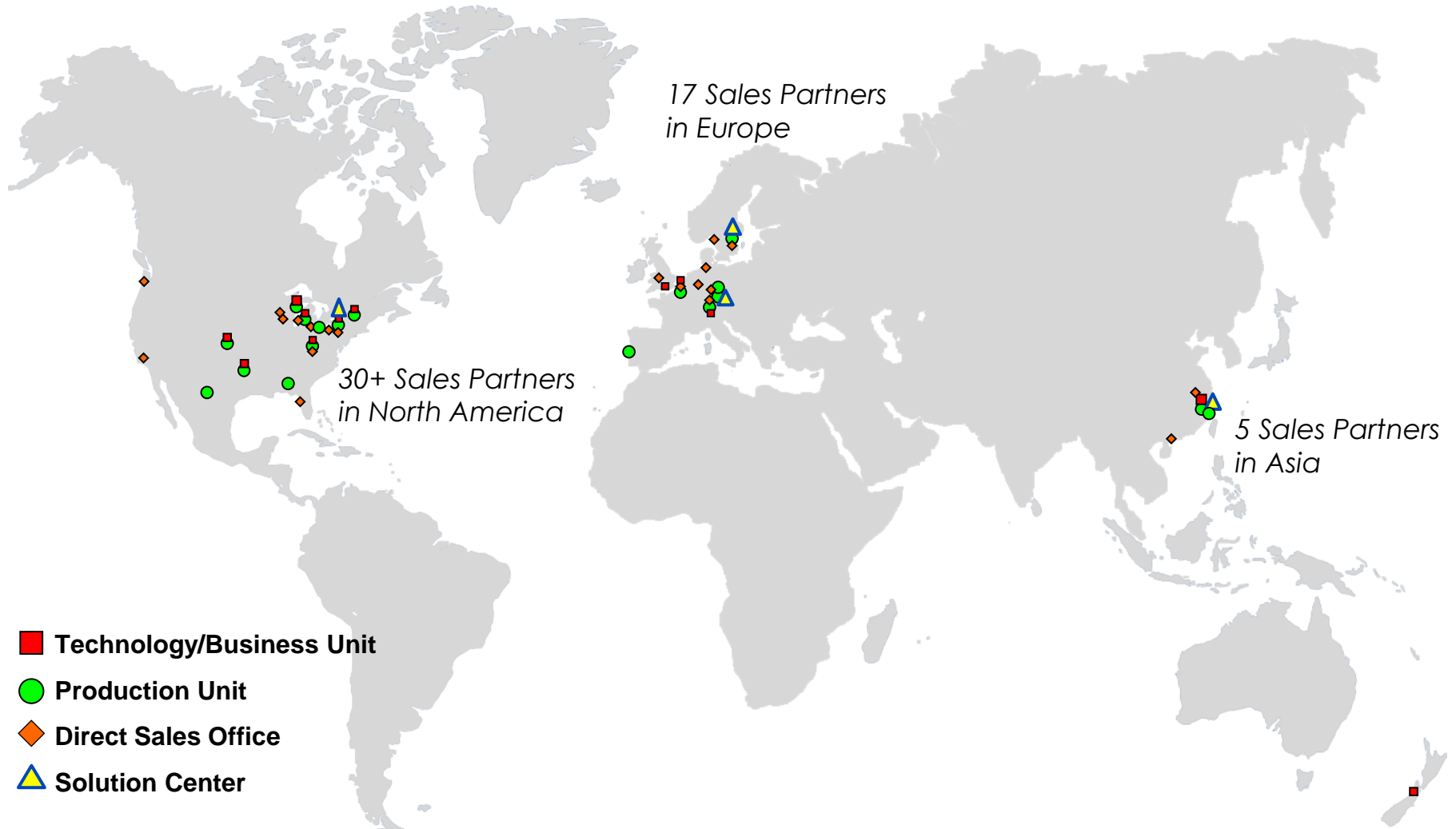
Commercial aviation, aerospace systems, defense systems, unmanned aerial vehicles, NASA

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



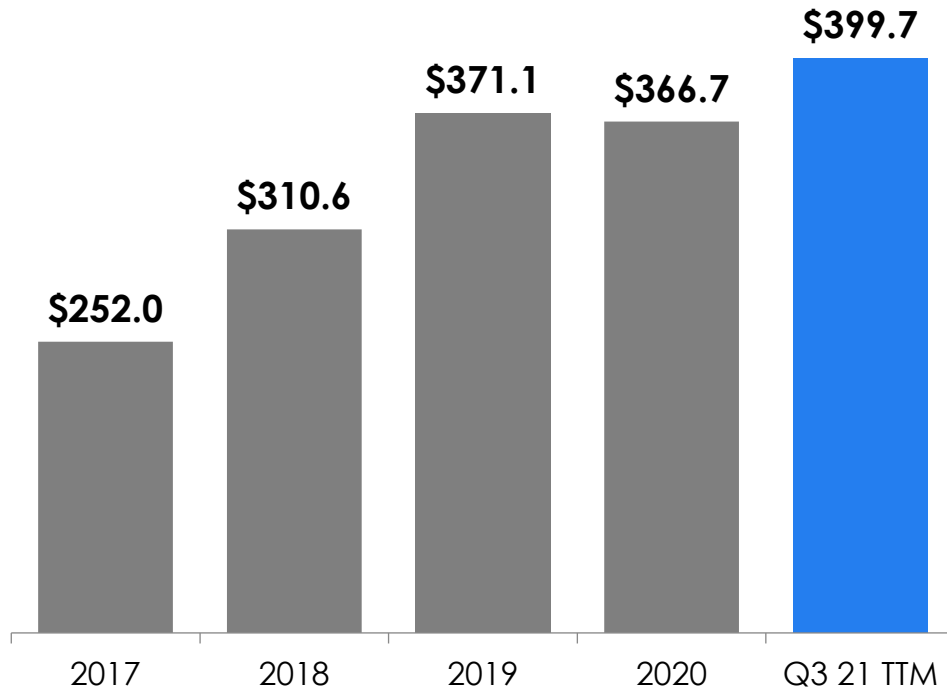


Motion Solutions that Change the Game

Financial Highlights

Record Revenue

(\$ in millions)



Ramping new projects and solutions as market conditions continue to improve

Acquisitions

ALIO Nov 2021

ORMEC Systems Nov 2021

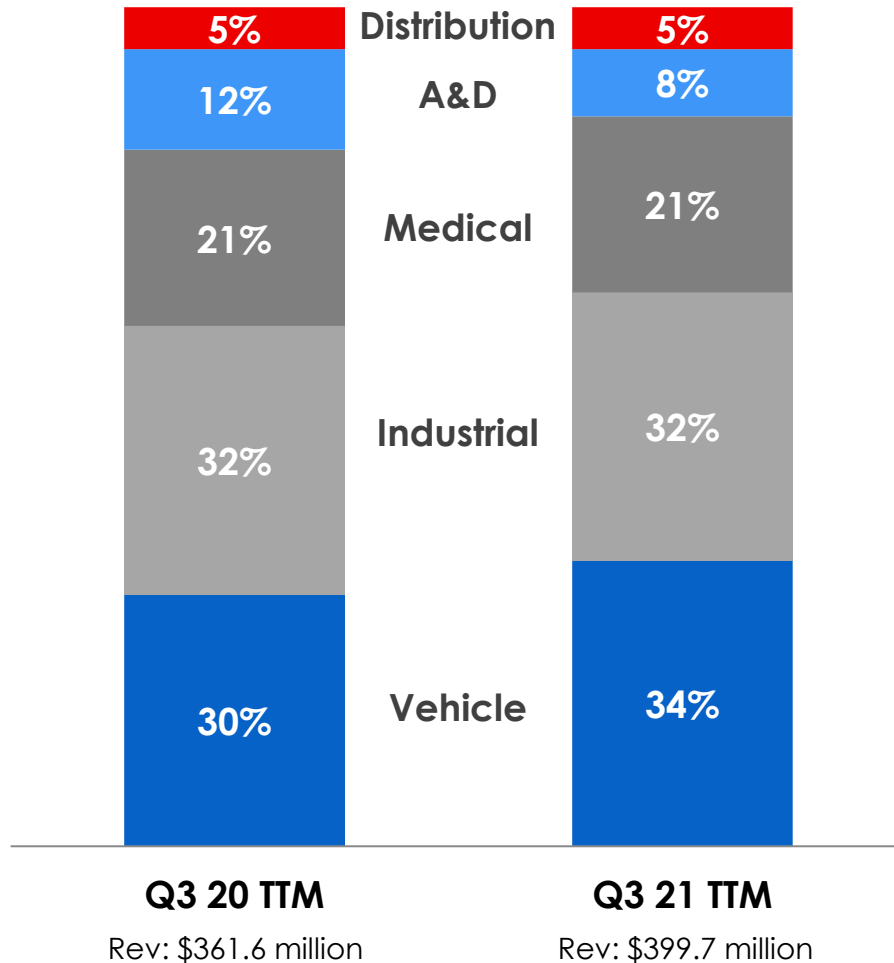
Dynamic Controls Mar 2020

TCI Dec 2018

Maval Jan 2018

Market Diversification Supports Growth Strategy

Revenue by Market



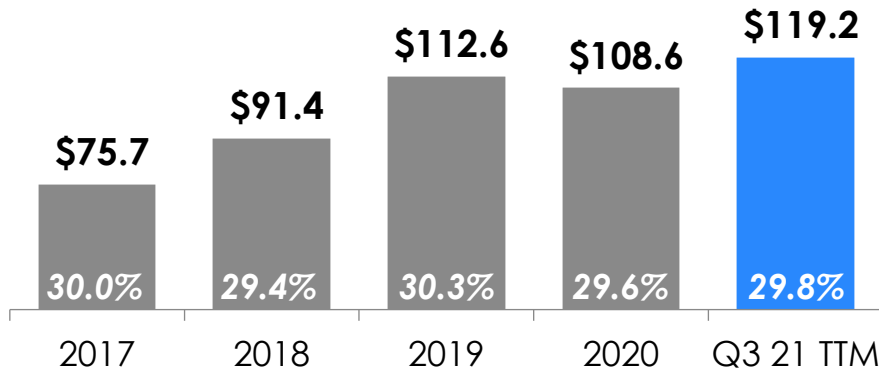
TTM revenue up 11%

Vehicle	+ 23%
Medical	+ 14%
Industrial	+ 9%
Distribution	+ 2%
A&D	- 21%

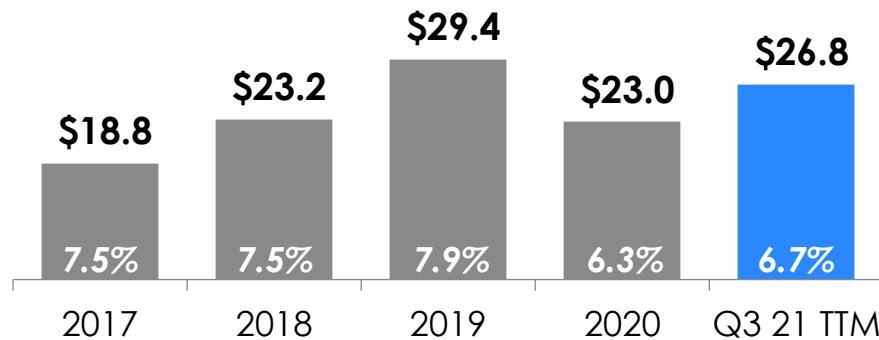
Focus on Margin Improvement

(\$ in millions)

Gross Profit & Margin



Operating Profit & Margin



GM impacts

- + Strong volume
- + Strategic pricing
- + Lean tool kit (AST)
- Higher labor and material costs
- Supply chain challenges

Maintaining key engineering capabilities

General & administrative

10.5% of Q3 21 TTM sales

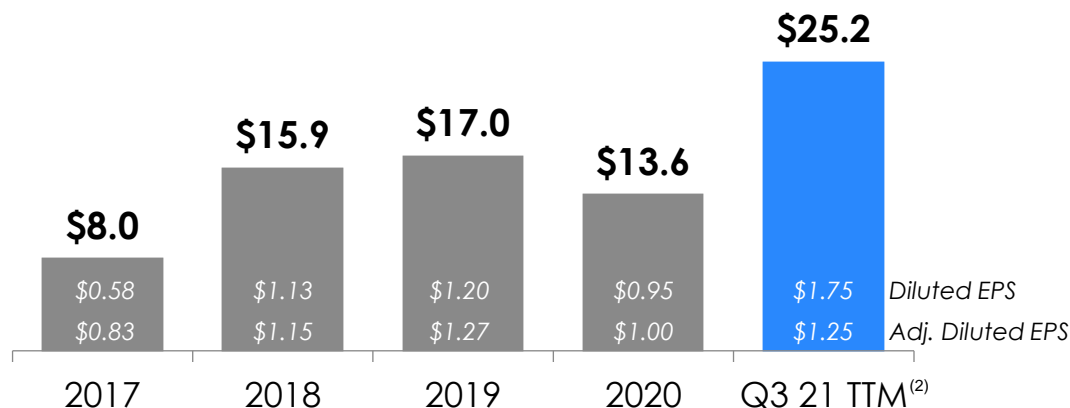
Engineering & development

6.9% of Q3 21 TTM sales

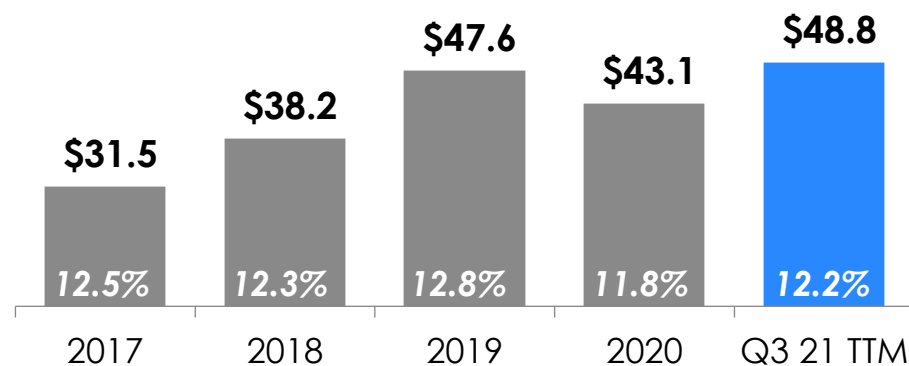
Strong Cash Generation

(\$ in millions, except per share data)

Net Income and Adjusted EPS⁽¹⁾



Adjusted EBITDA⁽³⁾ & Margin



Strengthening earnings power

Expect ~25% tax rate in fourth quarter of 2021

Expectation as of November 3, 2021

⁽¹⁾ See supplemental slide for Adjusted Net Income reconciliation and other important disclaimers regarding Adjusted Net Income. Diluted EPS and Adjusted Diluted EPS reflect 3-for-2 common stock split effective April 30, 2021.

⁽²⁾ Includes a net discrete tax benefit of \$7.4 million from Q1 2021.

⁽³⁾ See supplemental slide for Adjusted EBITDA reconciliation and other important disclaimers regarding Adjusted EBITDA.

Flexible Balance Sheet

(\$ in millions)

CAPITALIZATION		
	Sep. 30, 2021	Dec. 31, 2020
Cash and cash equivalents	\$ 19.2	\$ 23.1
Total debt	109.3	120.1
Total net debt	90.1	96.9
Shareholders' equity	162.4	143.1
Total capitalization	\$ 271.7	\$ 263.1
Debt/total capitalization	40.2%	45.6%
Net debt/net total capitalization	35.7%	40.4%

Strong capital structure

Net debt repayment of \$10.6 million since year-end 2020

Net debt/net total capitalization improved 470 bps since year-end 2020

Bank leverage ratio⁽¹⁾ of 2.22x at Q3 21

Subsequent to quarter-end, used \$23 million of credit facility to finance ORMEC and ALIO acquisitions

⁽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		YTD
	9/30/21	9/30/20	9/30/21
Net cash provided by operating activities	\$ 3.5	\$ 8.4	\$ 19.9
Capital expenditures (CapEx)	(3.9)	(2.9)	(9.8)
Operating free cash flow (FCF)⁽¹⁾	\$ (0.4)	\$ 5.5	\$ 10.2

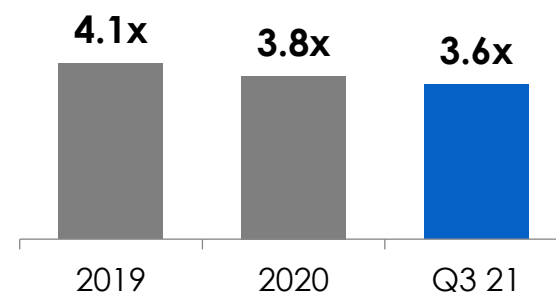
FY21 CapEx: **\$12 - \$15 million⁽²⁾**

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

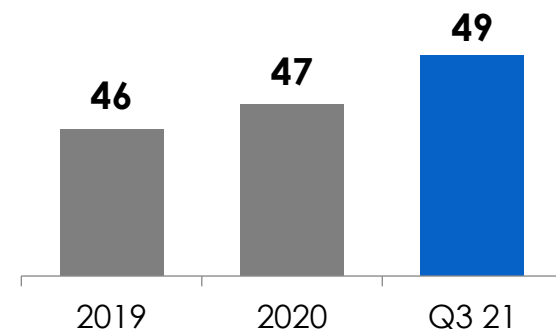
⁽²⁾ 2021 CapEx expectation provided on November 3, 2021

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

Inventory Turnover



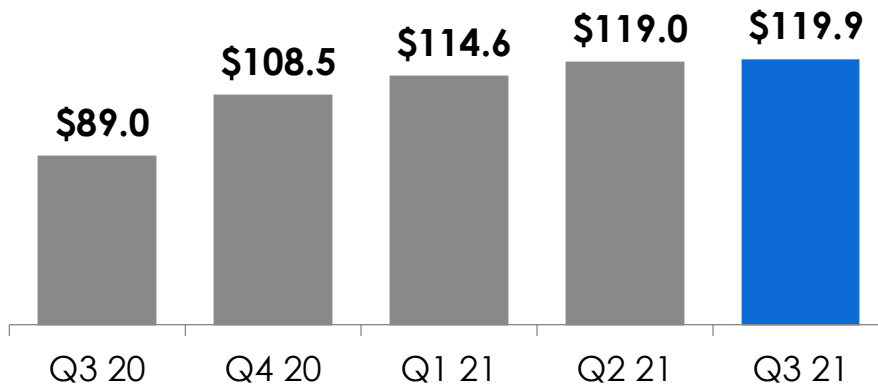
Days Sales Outstanding



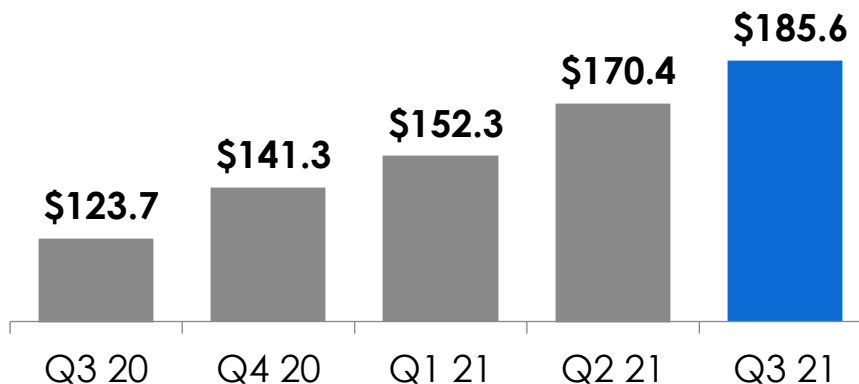
Record Orders & Backlog

(\$ in millions)

Orders



Backlog



All key markets
contributing

Q3 21 Book:Bill of 1.2x

Backlog up 9%
sequentially and 50%
YoY

Majority of backlog to
ship in three to nine
months



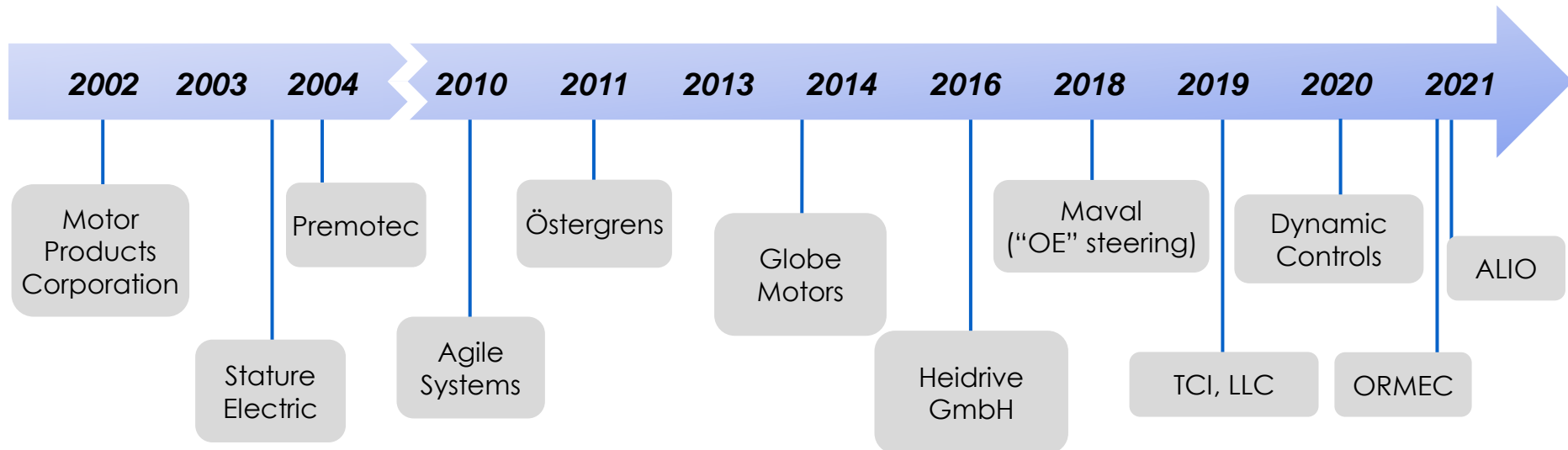
Motion Solutions that Change the Game

Growth Strategy and Outlook

Growth/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
- **Q3 21 TTM:** Motion revenue ~\$400M



Outlook

Continued improving market conditions with increased quoting and orders

Expect some seasonality in Q4 21 given typical holiday shutdowns and inventory adjustments, though impact may be less than prior years if there is improvement related to the global supply chain challenges

Expect Q4 2021 tax rate to be approximately 25%

Expect to invest \$12 million to \$15 million in capital expenditures during FY21

Continue to successfully execute our strategy to drive further efficiency and profitable growth

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



Motion Solutions that Change the Game

R.W. Baird Global Industrial Conference

November 11, 2021



Motion Solutions that Change the Game

Supplemental Information

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
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
Twinsburg, OH (Maval OE Steering)	Design & Manufacture: Mechanical Steering System Components
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

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 31 years of motion industry experience

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

Ashish Bendre, *Vice President & Group President*

Robert Maida, *Senior Vice President & Group President*

Helmut Pirthauer, *Vice President & Group President*

Brendan Neill, *Attorney and Assistant Secretary*

Geoff Rondeau, *Vice President of Operational Excellence*

Christopher J. Thome, *Corporate Controller and Treasurer*

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, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Sep 30, 2021
Net income	\$ 8,036	\$ 15,925	\$ 17,022	\$ 13,643	\$ 25,232
Income tax benefit	-	-	-	-	(7,373)
Tax Cuts and Jobs Act Impact	3,133	(235)	-	-	-
Non-income based tax assessment	-	-	384	(424)	(424)
Foreign currency loss (gain)	273	(120)	79	752	371
Business development costs	147	586	81	344	238
Income tax provision charge	-	-	433	-	-
Non-GAAP Adjusted Net Income	\$ 11,589	\$ 16,156	\$ 17,999	\$ 14,315	\$ 18,044
Average Diluted Shares Outstanding	13,913	14,055	14,192	14,333	14,459
Diluted earnings per share – GAAP	\$0.58	\$1.13	\$1.20	\$0.95	\$1.75
Diluted earnings per share – Non-GAAP	\$0.83	\$1.15	\$1.27	\$1.00	\$1.25

Adjusted net income and diluted EPS are defined as net income and diluted EPS as reported, adjusted for unusual non-recurring items. Adjusted net income and diluted EPS are not measures 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, is 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, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Sept 30, 2021
Net income	\$ 8,036	\$ 15,925	\$ 17,022	\$ 13,643	\$ 25,232
Interest expense	2,474	2,701	5,134	3,716	3,362
Provision (benefit) for income taxes	8,100	4,756	6,819	5,133	(1,844)
Depreciation and amortization	10,274	11,576	14,857	15,985	17,620
EBITDA	\$ 28,884	\$ 34,958	\$ 43,832	\$ 38,477	\$ 44,370
Stock compensation expense	2,026	2,643	3,203	3,550	4,010
Foreign currency loss (gain)	396	(169)	111	1,035	500
Business development costs	213	762	113	473	309
Non-income based tax assessment	-	-	384	(424)	(424)
Adjusted EBITDA	\$ 31,519	\$ 38,194	\$ 47,643	\$ 43,111	\$ 48,765

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 related to acquisitions, 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.