

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 December 31,				Twelve Months Ended December 31,			
	2025	EPS	2024	EPS	2025	EPS	2024	EPS
Net Income Attributable to The Timken Company	\$ 62.3	\$ 0.89	\$ 71.2	\$ 1.01	\$ 288.4	\$ 4.11	\$ 352.7	\$ 4.99
Adjustments: ⁽¹⁾								
Acquisition intangible amortization	\$ 20.0		\$ 19.3		\$ 79.1		\$ 78.0	
Impairment, restructuring and reorganization charges ⁽²⁾	8.8		6.3		21.8		19.1	
Corporate pension and other postretirement benefit related expense (income) ⁽³⁾	10.8		(1.3)		10.8		(1.3)	
Acquisition-related charges ⁽⁴⁾	—		2.2		—		13.0	
Gain on sale of certain assets ⁽⁵⁾	(0.8)		—		(2.6)		(14.7)	
CEO transition expenses ⁽⁶⁾	2.3		1.0		20.8		3.7	
Property losses and related expenses ⁽⁷⁾	—		0.1		—		1.2	
Tax indemnification and related items	—		(1.1)		—		(1.1)	
Noncontrolling interest of above adjustments ⁽⁸⁾	0.1		—		4.9		(0.2)	
Provision for income taxes ⁽⁹⁾	(23.1)		(16.2)		(48.7)		(41.0)	
Total Adjustments:	18.1	0.25	10.3	0.15	86.1	1.22	56.7	0.80
Adjusted Net Income Attributable to The Timken Company	\$ 80.4	\$ 1.14	\$ 81.5	\$ 1.16	\$ 374.5	\$ 5.33	\$ 409.4	\$ 5.79

⁽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; (iii) severance related to cost reduction initiatives; (iv) impairment of assets; and (v) related depreciation and amortization. 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⁾ Corporate pension and other postretirement benefit related expense (income) represents actuarial losses and (gains) that resulted from the remeasurement of plan assets and obligations as a result of changes in assumptions or experience. The Company recognizes actuarial gains and losses in connection with the annual remeasurement in the fourth quarter, or if specific events trigger a remeasurement. Refer to the Retirement Benefit Plans and Other Postretirement Benefit Plans footnotes within the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q for additional discussion.

⁽⁴⁾ Acquisition-related charges represent deal-related expenses associated with completed transactions and any resulting inventory step-up impact.

⁽⁵⁾ Represents the net gain resulting from the sale of certain assets. Gain on sale of certain assets included a \$13.8 million gain in the third quarter of 2024 related to the sale of the Gaffney, South Carolina plant.

⁽⁶⁾ On August 22, 2025, the Company announced the appointment of Lucian Boldea as President and Chief Executive Officer ("CEO"), effective September 1, 2025, and that Richard G. Kyle would retire from the role of interim President and CEO. On March 31, 2025, the Company announced that Tarak B. Mehta, President and CEO of the Company would be departing from the Company, effective immediately, and Mr. Kyle would be serving as interim President and CEO. CEO transition expenses primarily relate to the cost of the settlement agreement with Mr. Mehta in connection with his departure, net of the impact for stock awards forfeited, the acceleration of certain stock compensation awards issued to Mr. Kyle, and other one-time costs associated with the transition in 2025. During 2024, the Company announced that Mr. Kyle, President and CEO of the Company would be retiring from his position as CEO as of February 15, 2025, and that Mr. Mehta would be appointed President and CEO on September 5, 2024. CEO transition expenses for 2024 relate to the acceleration of certain stock compensation awards for Mr. Kyle and other one-time costs associated with the transition in 2024.

⁽⁷⁾ Represents property loss and related expenses incurred during the periods presented resulting from a fire that occurred during the second quarter of 2024 at one of the Company's plants in Slovakia.

⁽⁸⁾ Represents the noncontrolling interest impact of the adjustments listed above, as well as the reversal of uncertain tax positions related to Timken India Limited.

⁽⁹⁾ 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: EBITDA and EBITDA, After Adjustments to GAAP Net Income

Reconciliation of EBITDA to GAAP Net Income, EBITDA Margin to Net Income as a Percentage of Sales, and EBITDA Margin, After Adjustments, to Net Income as a Percentage of Sales, 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, taxes, depreciation and amortization (EBITDA) 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 EBITDA. Management also believes that adjusted EBITDA, adjusted EBITDA margin and 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.

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2025	Percentage to Net Sales	2024	Percentage to Net Sales	2025	Percentage to Net Sales	2024	Percentage to Net Sales
Net Income	\$ 65.9	5.9 %	\$ 75.1	7.0 %	\$ 317.3	6.9 %	\$ 375.3	8.2 %
Provision for income taxes	7.9		15.7		98.7		118.9	
Interest expense	26.7		28.0		110.3		125.1	
Interest income	(2.6)		(3.6)		(10.3)		(14.9)	
Depreciation and amortization	59.2		56.2		230.1		221.8	
Consolidated EBITDA	\$ 157.1	14.1 %	\$ 171.4	16.0 %	\$ 746.1	16.3 %	\$ 826.2	18.1 %
Adjustments:								
Impairment, restructuring and reorganization charges ⁽¹⁾	\$ 8.4		\$ 5.9		\$ 20.7		\$ 17.8	
Corporate pension and other postretirement benefit related expense (income) ⁽²⁾	10.8		(1.3)		10.8		(1.3)	
Acquisition-related charges ⁽³⁾	—		2.2		—		13.0	
Gain on sale of certain assets ⁽⁴⁾	(0.8)		—		(2.6)		(14.7)	
Tax indemnification and related items	—		(1.1)		—		(1.1)	
CEO transition expenses ⁽⁵⁾	2.3		1.0		20.8		3.7	
Property losses and related expenses ⁽⁶⁾	—		0.1		—		1.2	
Total Adjustments	20.7	1.9 %	6.8	0.6 %	49.7	1.1 %	18.6	0.4 %
Adjusted EBITDA	\$ 177.8	16.0 %	\$ 178.2	16.6 %	\$ 795.8	17.4 %	\$ 844.8	18.5 %

⁽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; (iii) severance related to cost reduction initiatives; and (iv) impairment of assets. 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⁾ Corporate pension and other postretirement benefit related expense (income) represents actuarial losses and (gains) that resulted from the remeasurement of plan assets and obligations as a result of changes in assumptions or experience. The Company recognizes actuarial gains and losses in connection with the annual remeasurement in the fourth quarter, or if specific events trigger a remeasurement. Refer to the Retirement Benefit Plans and Other Postretirement Benefit Plans footnotes within the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q for additional discussion.

⁽³⁾ Acquisition-related charges represent deal-related expenses associated with completed transactions and any resulting inventory step-up impact.

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⁽⁶⁾ Represents property loss and related expenses incurred during the periods presented resulting from property loss that occurred during the second quarter of 2024 at one of the Company's plants in Slovakia.

GAAP Reconciliation: Net Debt & Free Cash Flow

Reconciliation of Total Debt to Net Debt, the Ratio of Net Debt to Capital, and the Ratio of Net Debt to Adjusted EBITDA: (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 net debt to capital, is a non-GAAP measure defined as total debt less cash and cash equivalents plus total shareholders' equity. Management believes Net Debt, the Ratio of Net Debt to Capital, Adjusted EBITDA (see prior page of GAAP reconciliations), and the Ratio of Net Debt to Adjusted EBITDA are important measures of the Company's financial position, due to the amount of cash and cash equivalents on hand. The Company presents net debt to adjusted EBITDA because it believes it is more representative of the Company's financial position as it is reflective of the ability to cover its net debt obligations with results from its core operations.

(Dollars in millions)

	December 31, 2025	December 31, 2024
Short-term debt, including current portion of long-term debt	\$ 38.9	\$ 13.0
Long-term debt	1,883.1	2,049.7
Total Debt	\$ 1,922.0	\$ 2,062.7
Less: Cash and cash equivalents	(364.4)	(373.2)
Net Debt	\$ 1,557.6	\$ 1,689.5
Total Equity	\$ 3,345.7	\$ 2,984.1
Ratio of Net Debt to Capital	31.8 %	36.1 %
Adjusted EBITDA for the Twelve Months Ended	\$ 795.8	\$ 844.8
Ratio of Net Debt to Adjusted EBITDA	2.0	2.0

Reconciliation of Free Cash Flow to GAAP Net Cash Provided by Operating Activities:

(Unaudited)

Management believes that free cash flow is a non-GAAP measure that is useful to investors because it is a meaningful indicator of cash generated from operating activities available for the execution of its business strategy.

(Dollars in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 183.3	\$ 178.6	\$ 554.3	\$ 475.7
Less: capital expenditures	(42.6)	(53.6)	(148.2)	(170.0)
Free cash flow	\$ 140.7	\$ 125.0	\$ 406.1	\$ 305.7