Research Update

Park-Ohio Holdings Corp. (NASDAQ: PKOH)

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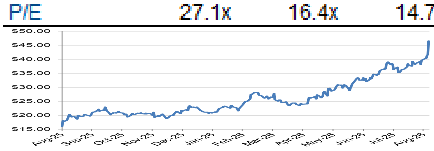
Market Statistics	
Price	$ 52.51
52 week Range	$17.77 - $52.66
Daily Vol (3-mo. average)	84,558
Market Cap ($M):	$ 735.4
Enterprise Value ($M):	$1,347.0
Shares Outstanding: ($M)	14.0
Float (M)	9.4
Public Ownership	10.8%
Institutional Ownership	55.0%

Financial Summary	
Cash ($M)	$ 48.3
Cash/Share	$ 3.45
Debt ($M)	$ 659.9
Equity ($M)	$ 392.5
Equity/Share	$ 27.93

Valuation in USD	
Valuation Range	46.96 - $58.82
2027E Price Target	$ 52.60

FYE: Dec	2025	2026E	2027E
(in $M)			
Rev	$1,599.1	$1,713.7	$1,774.2
Chng%	-3%	7%	4%
EBITDA	$ 137.5	$ 146.7	$ 152.3
Net Income	$ 37.9	$ 45.7	$ 51.8
EPS	$ 2.70	$ 3.21	$ 3.58
EV/Revenue	0.8x	0.8x	0.8x
EV/EBITDA	9.0x	9.2x	8.8x
P/E	27.1x	16.4x	14.7x



COMPANY DESCRIPTION

ParkOhio is an integrated group of niche industrial businesses operating through Supply Technologies, Assembly Components, and Engineered Products. Across these segments, the Company provides outsourced supply chain management, proprietary fasteners, engineered fluid routing products, industrial capital equipment, aftermarket parts and services, and forged and machined components. ParkOhio serves more than 7,000 customers across a broad range of industrial and transportation markets, with many of its products and services embedded directly in customer manufacturing operations. The breadth of the portfolio provides exposure to more than 25 end markets, while the specialized nature of many of its products, processes, and services has supported long customer relationships and leading positions in smaller industrial niches

PKOH Reports Quarterly Results

PKOH's 2Q26 marked a clearer inflection in the portfolio, as wider demand and better Engineered Products execution shifted the growth mix toward higher-margin, more durable businesses. Importantly, management raised FY26 guidance while retaining SSP's expected ~$0.50/share loss, suggesting the core portfolio is improving faster than consolidated results imply. Gross margin reached its highest level since 2013, operating income increased 22% y/y, and operating cash flow improved $23M. In our view, PKOH is entering a multi-step margin and portfolio-quality improvement cycle, with Engineered Products absorption, company-specific productivity initiatives, 2H cash conversion, and the SSP review the primary variables through year-end.

2Q26 Quarterly results - PKOH reported revenue, adj EBITDA, and adj EPS of $440.1M, $38.8M, and $0.93, respectively. This compares to our/consensus estimates of $422.3M/$427.3M, $36.6M/$35.4M, and $0.80/$0.81, respectively. Revenue increased 10% y/y and 5% q/q across all three segments, while adjusted EPS increased 24% y/y. Gross margin expanded 90 bps to 17.9% on higher-volume flow-through and profit-enhancement initiatives. SG&A increased to 12.1% of sales from 11.7%, partially offsetting operating leverage, driven by inflation, higher personnel costs, and support for increased sales levels. Operating cash flow improved to $9.2M from a $13.7M use, while CapEx totaled $11.0M. By our calculation, unchanged FY26 FCF guidance implies a material 2H cash-conversion step-up, supported by higher earnings and working-capital reduction.

Segments - Supply Technologies revenue increased 12% to $209.3M, with operating margin up 10 bps to 8.8%. Semiconductor, electrical, and AI data center revenue rose 29%, while aerospace & defense increased 10%. North American distribution center is scheduled for 3Q opening and is expected to benefit margins begining in 2027. Assembly Components revenue rose 7% to $101.4M on 2025 launches and automotive demand; operating income of $5.3M declined y/y but improved sequentially, while automation, rubber-mixing capacity, and new-program volume should support margins.

Engineered Products was the clearest change as revenue rose 10% to $129.4M, while operating margin expanded 190 bps to 7.0% on aftermarket growth and better forged/machined performance. Backlog reached $252M (+29% y/y; +23% from year-end), while YTD bookings rose 19% to $153M. Management expects improvement beyond any single order and targets long-term EBIT margins above 10%.

SSP Strategic Review - The process is expected to conclude toward year-end. FY26 guidance includes approximately $15M of revenue and a ~$0.50/share loss from SSP, including $0.09/share in 2Q. While nothing is complete, a favorable outcome could improve earnings and simplify the portfolio.

Guidance - Management raised FY26 sales guidance to $1.700B-$1.730B, adjusted EPS to $3.10-$3.30, and EBITDA margin to 8.5%-9.0%, while maintaining FCF guidance of $20M-$30M. The increase reflects stronger demand visibility and operating performance.

Valuation - We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $45.17 to $58.01 with a mid-point of $51.01. Our EV/EBITDA valuation results in a range of $48.76 to $59.63 with a mid-point of $54.19. Using a simple average this arrives at a 2027E valuation range of $46.96 to $58.82 with a price target at the mid-point of $52.60.

SUMMARY

Exhibit 1: Quarterly Results vs. Model

2Q26 Results *(in $M, except EPS)*	Reported	Model	Notes
Revenues	**$ 440.1**	**$ 422.3**	Broad-based demand across all segments drove the revenue beat
Cost of sales	361.2	348.9	
Gross profit	**78.9**	**73.5**	
GPM	**17.9%**	**17.4%**	
SG&A	53.1	48.1	
Operating Exp	53.1	48.1	
Op Inc - adjusted	**25.8**	**25.3**	Margins were slightly weaker following higher SG&A expenses
OPM	**5.9%**	**6.0%**	
EBITDA - adjusted	**38.8**	**36.6**	
EBITDA margin	**8.8%**	**8.7%**	Engineered Products improvement and revenue upside drove EBITDA outperformance
Net inc- adjusted	$ 13.2	$ 11.3	
EPS - adjusted	**$ 0.93**	**$ 0.80**	

Source: Company Reports; Stonegate Capital Markets

VALUATION SUMMARY

We have used DCF and comparison analysis to help frame valuation. When we combine these two valuation methods using a simple average it arrives at a 2027E valuation range of $46.96 to $58.82 with a price target at the mid-point of $52.60.

DCF Analysis

We are modeling near term revenue growth rates driven by end market recovery, offset by discussed headwinds. Our longer-term revenue growth is a more normalized rate that is consistent with PKOH's long-term organic growth goals in the 4% - 6% range.

Sensitivity Analysis:

Discount Rate	Terminal Growth Rates: 1.0%	1.5%	2.0%	2.5%	3.0%
9.50%	$50.73	$53.94	$57.59	$61.75	$66.56
9.75%	$47.87	$50.84	$54.19	$58.01	$62.39
10.00%	$45.17	$47.92	$51.01	$54.52	$58.53
10.25%	$42.62	$45.17	$48.03	$51.26	$54.93
10.50%	$40.21	$42.58	$45.22	$48.20	$51.57

Our DCF analysis relies on a range of discount rates between 9.8% and 10.3% with a midpoint of 10.00% and terminal growth rates between 1.5% and 2.5%. This arrives at a valuation range of $45.17 to $58.01 with a mid-point of $51.01.

Comparison Analysis

We are using our F27 estimates for valuation purposes to better capture a normalized operating environment.

Comparative Analysis

Park-Ohio Holdings Corp. (NASDAQ:PKOH)
(all figures in $M except per share information)

Company Name	Ticker	Price (1)	Mrkt Cap	EV	EV/S (2) TTM	EV/S (2) 2026E	EV/S (2) 2027E	EV/EBITDA (2) TTM	EV/EBITDA (2) 2026E	EV/EBITDA (2) 2027E	P/E (2) TTM	P/E (2) 2026E	P/E (2) 2027E
Applied Industrial Technologies,	AIT	$ 359.90	$ 13,301.7	$13,468.0	2.8x	2.7x	2.6x	20.6x	22.3x	20.4x	34.0x	33.6x	30.4x
A. O. Smith Corporation	AOS	$ 63.98	$ 8,695.4	$ 9,191.3	2.4x	2.4x	2.3x	11.4x	11.5x	10.8x	17.8x	17.1x	15.6x
ATI Inc.	ATI	$ 227.84	$ 31,025.1	$32,555.6	6.9x	6.3x	5.8x	34.5x	27.8x	24.2x	66.8x	44.5x	37.3x
Bossard Holding AG	BOSN	$ 285.97	$ 1,780.4	$ 2,610.9	1.9x	1.9x	1.8x	14.9x	13.5x	12.9x	NA	19.2x	18.6x
Carpenter Technology Corporat	CRS	$ 570.66	$ 28,353.6	$28,651.0	9.2x	8.2x	7.5x	33.7x	28.0x	24.1x	54.2x	42.7x	35.9x
Distribution Solutions Group, Inc	DSGR	$ 34.88	$ 1,613.4	$ 2,391.9	1.2x	1.1x	1.1x	12.9x	12.5x	12.0x	180.0x	22.2x	20.8x
Fastenal Company	FAST	$ 51.84	$ 59,486.3	$59,723.1	6.8x	6.4x	5.9x	27.8x	28.4x	25.8x	44.3x	41.1x	37.1x
W.W. Grainger, Inc.	GWW	$1,277.55	$ 60,173.8	$62,763.8	3.3x	3.2x	3.0x	18.9x	18.5x	17.2x	32.6x	27.5x	25.1x
Illinois Tool Works Inc.	ITW	$ 296.66	$ 84,488.8	$93,344.8	5.7x	5.5x	5.3x	19.1x	18.9x	17.9x	26.9x	25.9x	24.0x
JBT Marel Corporation	JBTM	$ 123.12	$ 6,362.5	$ 7,947.5	2.0x	2.0x	1.9x	12.5x	11.5x	10.4x	33.3x	15.3x	13.3x
Modine Manufacturing Company	MOD	$ 195.60	$ 10,388.8	$10,973.2	3.3x	2.7x	2.2x	21.9x	16.5x	11.6x	72.9x	25.6x	17.5x
Martinrea International Inc.	MRE	$ 7.66	$ 746.6	$ 1,281.0	0.4x	0.4x	0.4x	3.5x	3.1x	2.9x	6.3x	5.0x	4.3x
MSC Industrial Direct Co., Inc.	MSM	$ 122.92	$ 6,864.6	$ 7,346.0	1.9x	1.8x	1.7x	15.4x	15.6x	13.6x	29.7x	26.7x	22.6x
NN, Inc.	NNBR	$ 3.77	$ 199.0	$ 511.0	1.1x	1.1x	1.0x	13.7x	8.8x	7.9x	NM	NA	14.0x
Ryerson Holding Corporation	RYZ	$ 28.08	$ 1,457.3	$ 2,774.8	0.5x	0.4x	0.4x	15.5x	10.3x	8.1x	NM	21.4x	11.9x
ScanSource, Inc.	SCSC	$ 54.95	$ 1,116.8	$ 1,109.2	0.4x	0.4x	0.3x	8.6x	7.8x	7.3x	16.7x	13.9x	12.5x
Trinity Industries, Inc.	TRN	$ 29.90	$ 2,382.1	$ 7,582.0	3.7x	3.7x	3.3x	11.8x	9.5x	9.4x	7.0x	13.4x	13.4x
TriMas Corporation	TRS	$ 40.24	$ 1,443.6	$ 638.9	1.0x	0.9x	0.9x	7.8x	5.7x	5.0x	18.7x	24.4x	19.0x
WESCO International, Inc.	WCC	$ 363.74	$ 17,726.1	$23,616.0	0.9x	0.9x	0.8x	12.4x	12.9x	11.6x	25.2x	21.6x	18.2x
				Average	**2.9x**	**2.7x**	**2.5x**	**16.7x**	**14.9x**	**13.3x**	**41.6x**	**24.5x**	**20.6x**
				Median	**2.0x**	**2.0x**	**1.9x**	**14.9x**	**12.9x**	**11.6x**	**31.2x**	**23.3x**	**18.6x**
Park-Ohio Holdings Corp.	**PKOH**	**$ 52.51**	**$ 735.4**	**$ 1,347.0**	**0.8x**	**0.8x**	**0.8x**	**9.0x**	**9.2x**	**8.8x**	**27.1x**	**16.4x**	**14.7x**

(1) Previous day's closing price
(2) Estimates are from Capital IQ except those for Park-Ohio Holdings Corp. which are Stonegate estimates
Source: Company Reports; CapitalIQ; Stonegate Capital Markets

We are also using an EV/EBITDA framework to inform our PKOH valuation. Currently PKOH is trading at a 2027E EV/EBITDA of 8.8x compared to comps at an average of 13.3x. We are using our forward expected EBITDA, and an EV/EBITDA range of 8.50x to 9.50x with a midpoint of 9.00x which brings PKOH closer to the current comps, Park-Ohio's 10-year average range, and a 10-year average range for the comps. This arrives at a valuation range of $48.76 to $59.63 with a mid-point of $54.19.

INVESTMENT OVERVIEW

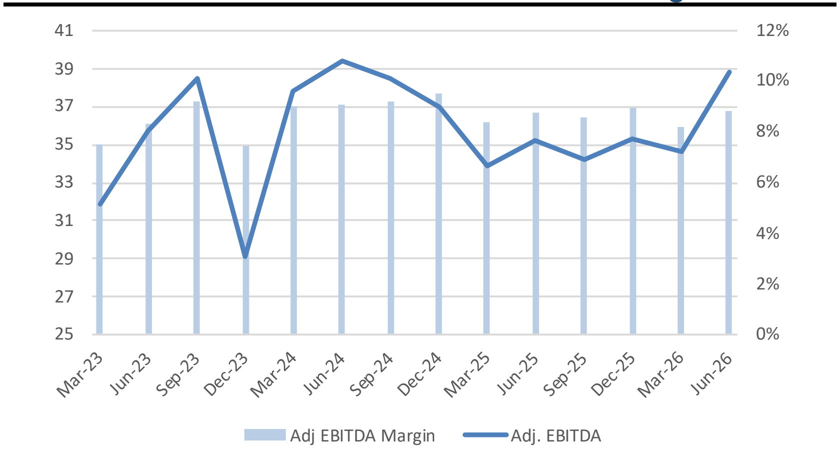
ParkOhio is an integrated group of niche industrial businesses operating through Supply Technologies, Assembly Components, and Engineered Products. Across these segments, the Company provides outsourced supply chain management, proprietary fasteners, engineered fluid routing products, industrial capital equipment, aftermarket parts and services, and forged and machined components. ParkOhio serves more than 7,000 customers across a broad range of industrial and transportation markets, with many of its products and services embedded directly in customer manufacturing operations. The breadth of the portfolio provides exposure to more than 25 end markets, while the specialized nature of many of its products, processes, and services has supported long customer relationships and leading positions in smaller industrial niches.

Several core attributes of ParkOhio's operating model have remained consistent. The Company has a stable management team, a decentralized operating structure, and a long history of acquiring niche industrial businesses where specialized products, process knowledge, brands, or customer relationships create barriers to entry. ParkOhio has grown from less than $100 million of annual revenue in 1992 to approximately $1.6 billion in FY25, supported by acquisitions as well as recurring organic growth from new customers, program launches, geographic expansion, product development, and increased business with existing customers. Acquisitions remain part of the Company's long-term strategy, although current investment is more focused on internal opportunities where ParkOhio already has established products, customers, and operating capabilities. The leadership team combines long-tenured executives and operating managers with more recent segment-level additions intended to improve execution and support growth.

What has changed is the allocation of capital and management attention across the portfolio. ParkOhio has exited General Aluminum and selected forged products businesses that required significant capital but did not provide sufficient margins or cash generation. The Company has redirected investment toward technology, automation, proprietary products, aftermarket services, vertical integration, and businesses serving markets with stronger demand. These markets include aerospace and defense, semiconductors, data centers, electrical infrastructure, power generation, electrical steel, and industrial electrification. Management believes this mix provides greater opportunities for growth and operating leverage than the businesses that were sold or deemphasized.

The portfolio changes are occurring alongside operating improvements within the remaining businesses. ParkOhio is investing in information systems, distribution automation, manufacturing productivity, rubber mixing capacity, and centers of excellence intended to lower costs and improve asset utilization. The strategic review of Southwest Steel Processing could further improve the earnings mix by reducing exposure to a more cyclical and capital-intensive operation that is expected to report a loss in 2026. Management's long-term objectives include approximately $2.0 billion of annual revenue, a 10% EBITDA margin, and net debt leverage below 3.0x. These objectives are not tied to a firm timetable and will depend on organic growth, margin execution, cash generation, portfolio actions, and the broader industrial environment.

Exhibit 1: Consolidated EBITDA and EBITDA Margin



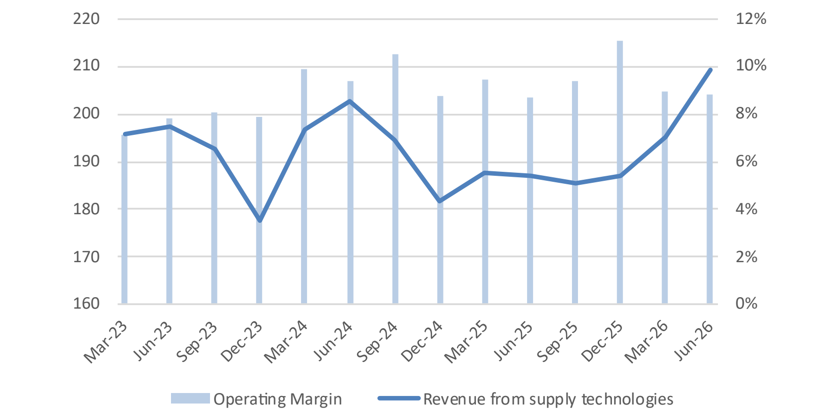
Source: Company Reports

BUSINESS SEGMENTS

Supply Technologies

Supply Technologies provides outsourced supply chain management services and manufactures proprietary fasteners used in highly engineered applications. Its supply chain operations manage sourcing, supplier qualification, inventory, logistics, and delivery of production components for global manufacturers. By integrating its personnel, systems, and inventory into customer operations, the segment helps customers reduce procurement complexity, working capital, and the risk of production interruptions.

Exhibit 2: Supply Tech Revenue ($M) and Operating Margin



Source: Company Reports

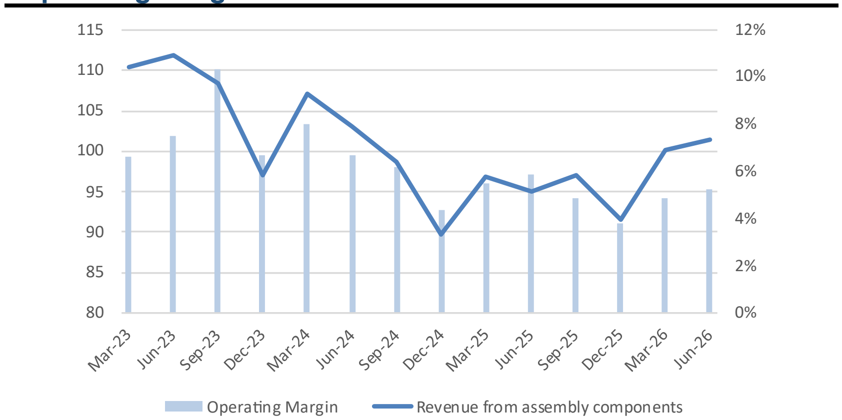
The segment also manufactures specialized fasteners supported by established brands, product designs, intellectual property, and manufacturing expertise. These products are used in applications where performance, reliability, and engineering support are more important than unit price. Together, the supply chain and manufacturing businesses create long customer relationships and opportunities to expand across additional products, facilities, and regions.

ParkOhio is investing in information systems, warehouse automation, distribution capacity, and data management to improve service levels, purchasing efficiency, inventory visibility, and operating margins. Growth opportunities include aerospace and defense, semiconductors, electrical distribution, data centers, and other markets where customers require reliable access to a large number of specialized components.

Assembly Components

Assembly Components manufactures highly engineered fluid-routing and related products for transportation and industrial customers. Its capabilities include metallic tube manipulation, hose extrusion, rubber and plastic molding, polymer formulation, and final assembly. Although automotive remains an important end market, these capabilities can also be applied to agricultural equipment, commercial vehicles, power sports, lawn and garden equipment, and other industrial applications.

Exhibit 3: Assembly Components Revenue ($M) and Operating Margin



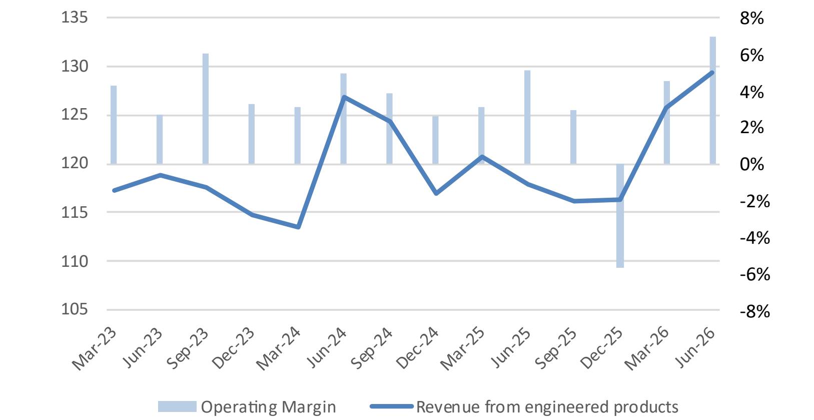
Source: Company Reports

The segment's products are used to manage fuel, coolant, hydraulic fluid, air, water, and other materials. Many of its products and manufacturing processes can be used across internal-combustion, hybrid, and electric platforms, reducing dependence on any single powertrain technology. The broader opportunity is to use its extrusion, molding, and material-science capabilities across additional vehicle and industrial applications.

Management is focused on launching awarded programs, increasing internal rubber-mixing capacity, improving plant efficiency, and reducing purchased input costs through vertical integration. Assembly Components is not expected to be the primary source of consolidated growth, but better volumes, pricing, absorption, and operating execution could produce meaningful earnings improvement.

Engineered Products

Exhibit 4: Engineered Products Revenue ($M) and Operating Margin



Source: Company Reports

Engineered Products includes industrial capital equipment, aftermarket parts and services, and forged and machined components. Its equipment businesses design induction heating and melting systems, forging equipment, tube and pipe processing systems, transformers, and other products engineered for specific customer applications. These operations are supported by established global brands, technical expertise, and a large installed equipment base.

The installed base creates recurring demand for replacement parts, field service, maintenance, repair, rebuild, and equipment replacement. This aftermarket activity provides greater consistency than new equipment orders and expands as additional systems are installed. Demand for new equipment is supported by investment in electrical steel, power generation, grid infrastructure, aerospace and defense, industrial cooling, mining, and other manufacturing markets.

The forged and machined businesses produce complex components using specialized equipment that would be difficult and costly to replicate. These capabilities support selected aerospace, defense, rail, and heavy industrial applications, but results have been affected by lower utilization and losses at Southwest Steel Processing. The SSP review could reduce earnings volatility and capital intensity while allowing management to focus investment on the capital equipment, aftermarket, and specialized forging businesses with stronger returns.

GROWTH OUTLOOK

ParkOhio's growth outlook is increasingly tied to company-specific programs rather than a broad industrial recovery. Supply Technologies is expanding with customers in aerospace and defense, semiconductors, electrical distribution, and data center infrastructure. Assembly Components is ramping awarded programs and applying its fluid-routing and polymer capabilities across a wider range of transportation and industrial markets. Engineered Products should benefit from backlog conversion, aftermarket demand, and investment in power, electrical steel, defense, and industrial modernization.

Margin improvement depends on a better mix of revenue and continued operating execution. ParkOhio is investing in information systems, warehouse automation, vertical integration, plant productivity, and centers of excellence intended to lower costs and improve asset utilization. Additional portfolio actions, including the potential sale of Southwest Steel Processing, could further reduce earnings volatility and improve the profitability of the remaining business.

Cash generation remains important because ParkOhio continues to carry meaningful debt and higher interest costs following its refinancing. Working-capital requirements can increase as new programs launch and capital equipment projects move through production, which may cause cash flow to vary between periods. Over time, improved profitability, lower working-capital intensity, disciplined capital spending, and portfolio proceeds should support debt reduction.

Management's long-term framework includes approximately $2.0 billion of revenue, a 10% EBITDA margin, and net debt leverage below 3.0x. Organic growth and operating improvement are expected to provide the foundation for these objectives. Acquisitions remain part of ParkOhio's strategy, but near-term capital allocation is more likely to emphasize internal investment, portfolio optimization, and deleveraging.

Investment Challenges / Risks

Acquisitions present uncertainty

A key element of Park-Ohio's business strategy is to make acquisitions and acquisitions involve numerous risks. While Park-Ohio has shown an ability to successfully acquire and integrate acquisitions, should the Company fail to hit its targets, or should an acquisition not met expectations, operating results could be negatively impacted.

Customer concentration

Park-Ohio has meaningful customer concentration within Supply Technologies and Assembly Components. The five largest Supply Technologies customers represented approximately 36% of segment sales in FY25, compared with 34% in FY24. The five largest Assembly Components customers represented approximately 53% and 55% of segment sales during those periods. The loss of a major customer, lower customer production, or the loss of a vehicle program could have a noticeable effect on segment results.

Currency, tariffs, and input costs

Approximately 43% of Park-Ohio's FY25 revenue was generated outside the United States, increasing the Company's exposure to foreign currency movements. A stronger U.S. dollar can reduce reported international revenue and earnings and may affect Park-Ohio's competitive position relative to local suppliers.

The Company is also exposed to tariffs, freight costs, labor inflation, and changes in raw-material pricing. Park-Ohio may use pricing actions, sourcing changes, and operating improvements to offset these pressures, but recovery can take time and may not fully cover higher costs.

Significant ownership by CEO and former President

Matthew Crawford, Chairman, CEO, and President, and Edward Crawford, a director and former Chairman and CEO, collectively beneficially owned approximately 27% of Park-Ohio's outstanding common stock as of December 31, 2025. We view the ownership position as positive for long-term shareholder alignment, although it also gives the Crawford family significant influence over directors' elections, strategic decisions, and other corporate matters. Minority shareholders could be affected if insider interests differ from those of the broader shareholder base.

Cyclical end-market exposure

ParkOhio serves a diverse range of markets, but many remain sensitive to general economic conditions, industrial production, vehicle volumes, capital spending, and customer inventory levels. Growth in data centers, aerospace and defense, electrical infrastructure, and other priority markets may not fully offset downturns in automotive, heavy-duty truck, agriculture, power sports, rail, or general industrial equipment.

Backlog and program execution

Revenue and margin improvement will depend on meeting engineering requirements, manufacturing schedules, installation timelines, customer acceptance, and production-volume expectations. Delays, cost overruns, launch inefficiencies, or changes in customer capital spending could reduce the anticipated benefit from the current backlog and awarded business.

DISCOUNTED CASH FLOW ANALYSIS

Park-Ohio Holdings Corp.
Discounted Cash Flow Model (in millions $, except per share amounts)

Estimates:	2024	2025	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	2035 E	Terminal Value
Revenues	1,656.2	1,599.1	1,713.7	1,774.2	1,836.3	1,909.8	1,992.8	2,082.5	2,174.1	2,267.6	2,360.6	2,457.4	
Operating Income	86.6	66.3	91.8	105.5	115.7	123.2	129.9	136.2	143.1	149.7	154.6	161.0	
Less: Taxes (benefit)	4.9	2.8	8.6	10.7	23.1	24.6	26.0	27.2	28.6	29.9	30.9	32.2	
NOPAT	81.7	63.5	83.2	94.8	92.6	98.5	103.9	109.0	114.4	119.7	123.7	128.8	
Plus: D&A	33.6	33.0	33.4	33.4	34.9	35.3	35.9	35.4	37.0	38.5	40.1	41.8	
Plus: Changes in WC	(26.6)	44.7	(25.7)	(13.3)	(13.8)	(14.3)	(14.9)	(15.6)	(16.3)	(17.0)	(17.7)	(18.4)	
Less: Capex	(31.4)	(12.7)	(36.0)	(23.1)	(22.0)	(19.1)	(19.9)	(20.8)	(16.3)	(17.0)	(18.9)	(19.7)	
Free Cash Flow	57.3	128.5	54.9	91.8	91.6	100.5	104.9	107.9	118.8	124.3	127.2	132.5	1,688.8
Discount period - months			6	18	30	42	54	66	78	90	102	114	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	
Discount factor			0.95	0.87	0.79	0.72	0.65	0.59	0.54	0.49	0.44	0.40	
PV of FCF			52.3	79.6	72.2	72.0	68.3	63.9	63.9	60.8	56.6	53.6	682.9
Growth rate assumptions:													
Revenue		-3.4%	7.2%	3.5%	3.5%	4.0%	4.4%	4.5%	4.4%	4.3%	4.1%	4.1%	
Operating Income		-23.4%	38.4%	15.0%	9.6%	6.5%	5.5%	4.8%	5.0%	4.6%	3.3%	4.1%	
EBITDA		-17.4%	26.1%	11.0%	8.4%	5.3%	4.6%	3.5%	4.9%	4.6%	3.5%	4.1%	
Free Cash Flow		124.3%	-57.3%	67.3%	-0.2%	9.6%	4.5%	2.8%	10.1%	4.6%	2.4%	4.1%	
Margin assumptions:													
Operating margin	5.2%	4.1%	5.4%	5.9%	6.3%	6.5%	6.5%	6.5%	6.6%	6.6%	6.6%	6.6%	
Depr as a % of sales	2.0%	2.1%	1.9%	1.9%	1.9%	1.9%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	
EBITDA	7.3%	6.2%	7.3%	7.8%	8.2%	8.3%	8.3%	8.2%	8.3%	8.3%	8.3%	8.3%	
Taxes	5.7%	4.2%	9.4%	10.2%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
Changes in WC	-1.6%	2.8%	-1.5%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	
Capex as a % of sales	-1.9%	-0.8%	-2.1%	-1.3%	-1.2%	-1.0%	-1.0%	-1.0%	-0.8%	-0.8%	-0.8%	-0.8%	

Valuation:

Shares outstanding	14.0
PV of FCF	643.2
PV of Terminal Value	682.9
Enterprise Value	1,326.1
less: Net Debt	611.6
Estimated Total Value:	714.5
Est Equity Value/share:	**$51.01**
Price	$52.51

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rate	9.50%	$50.73	$53.94	$57.59	$61.75	$66.56
	9.75%	$47.87	$50.84	$54.19	$58.01	$62.39
	10.00%	$45.17	$47.92	$51.01	$54.52	$58.53
	10.25%	$42.62	$45.17	$48.03	$51.26	$54.93
	10.50%	$40.21	$42.58	$45.22	$48.20	$51.57

Source: Company Reports, Stonegate Capital Markets estimates

INCOME STATEMENT

Park-Ohio Holdings Corp. (NASDAQ:PKOH)
Consolidated Statements of Income (in millions $, except per share amounts)
Fiscal Year: December

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenues																				
Revenues	$1,295.2	$1,438.0	$1,664.4	$1,659.7	$1,656.2	$405.4	$400.1	$ 398.6	$395.0	$1,599.1	$421.0	$440.1	$433.6	$418.9	$1,713.7	$433.2	$456.8	$455.2	$429.0	$1,774.2
Total revenues	**1,295.2**	**1,438.0**	**1,664.4**	**1,659.7**	**1,656.2**	**405.4**	**400.1**	**398.6**	**395.0**	**1,599.1**	**421.0**	**440.1**	**433.6**	**418.9**	**1,713.7**	**433.2**	**456.8**	**455.2**	**429.0**	**1,774.2**
Cost of revenues																				
Cost of goods sold	1,126.6	1,281.9	1,455.0	1,388.3	1,374.8	337.3	331.9	332.0	326.7	1,327.9	348.3	361.2	356.5	346.9	1,412.8	358.1	376.7	376.5	354.5	1,465.8
Total cost of revenues	1,126.6	1,281.9	1,455.0	1,388.3	1,374.8	337.3	331.9	332.0	326.7	1,327.9	348.3	361.2	356.5	346.9	1,412.8	358.1	376.7	376.5	354.5	1,465.8
Gross (loss) profit	**168.6**	**156.1**	**209.4**	**271.4**	**281.4**	**68.1**	**68.2**	**66.6**	**68.3**	**271.2**	**72.7**	**78.9**	**77.2**	**72.1**	**300.8**	**75.1**	**80.1**	**78.7**	**74.5**	**308.4**
Operating expenses																				
SG&A	152.9	178.3	179.3	181.5	187.4	48.2	46.8	46.5	48.1	189.6	51.7	53.1	51.8	49.9	206.5	51.1	52.3	50.5	48.9	202.9
Other	-	(10.1)	4.9	5.8	7.4	1.0	1.3	2.8	10.2	15.3	1.3	1.3	-	-	2.6	-	-	-	-	-
Total operating expenses	152.9	168.2	184.2	187.3	194.8	49.2	48.1	49.3	58.3	204.9	53.0	54.4	51.8	49.9	209.1	51.1	52.3	50.5	48.9	202.9
Income (loss) from operations	**15.7**	**(12.1)**	**25.2**	**84.1**	**86.6**	**18.9**	**20.1**	**17.3**	**10.0**	**66.3**	**19.7**	**24.5**	**25.4**	**22.2**	**91.8**	**24.0**	**27.8**	**28.2**	**25.6**	**105.5**
Inc (loss) from operations - adjusted (1)	**22.3**	**1.8**	**43.7**	**89.9**	**93.5**	**19.9**	**21.4**	**20.9**	**18.9**	**81.1**	**21.0**	**25.8**	**26.4**	**23.2**	**96.4**	**24.5**	**28.3**	**28.7**	**26.1**	**107.5**
Interest income (expense), net	(30.3)	(30.1)	(35.8)	(45.1)	(47.4)	(11.0)	(11.2)	(12.5)	(12.8)	(47.5)	(12.3)	(12.3)	(12.3)	(12.3)	(49.2)	(12.2)	(12.1)	(12.0)	(12.0)	(48.3)
Other - pension inc & other benefits exp	7.3	9.7	11.1	2.5	5.2	1.8	1.8	1.7	1.7	7.0	2.1	2.2	2.0	2.0	8.3	1.5	1.5	1.5	1.5	6.0
Other income/(expense)	-	-	-	-	-	-	-	(2.0)	-	(2.0)	-	-	-	-	-	-	-	-	-	-
Total other income (expense):	(23.0)	(20.4)	(24.7)	(42.6)	(42.2)	(9.2)	(9.4)	(12.8)	(11.1)	(42.5)	(10.2)	(10.1)	(10.3)	(10.3)	(40.9)	(10.7)	(10.6)	(10.5)	(10.5)	(42.3)
Pre-tax income (loss)	**(7.3)**	**(32.5)**	**0.5**	**41.5**	**44.4**	**9.7**	**10.7**	**4.5**	**(1.1)**	**23.8**	**9.5**	**14.4**	**15.0**	**11.9**	**50.9**	**13.3**	**17.2**	**17.6**	**15.1**	**63.2**
Provision for taxes (benefit)	(2.5)	(6.5)	(3.6)	8.5	4.9	1.9	1.8	(0.4)	(0.5)	2.8	1.6	2.4	2.6	2.0	8.6	2.3	2.9	3.0	2.6	10.7
Net income (loss)	**$ (4.8)**	**$ (26.0)**	**$ 4.1**	**$ 33.0**	**$ 39.5**	**$ 7.8**	**$ 8.9**	**$ 4.9**	**$ (0.6)**	**$ 21.0**	**$ 7.9**	**$ 12.0**	**$ 12.5**	**$ 9.9**	**$ 42.3**	**$ 11.0**	**$ 14.3**	**$ 14.6**	**$ 12.5**	**$ 52.5**
Net inc attributable to non-controlling int	$ 0.3	$ 1.2	$ (1.3)	$ 1.0	$ 2.7	$ 0.7	$ 0.4	$ 0.6	$ 2.1	$ 3.8	$ 0.3	$ 0.4	$ (0.4)	$ (0.3)	$ (0.1)	$ (0.4)	$ (0.5)	$ (0.5)	$ (0.4)	$ (1.8)
Net inc (loss) to common	**$ (4.5)**	**$ (24.8)**	**$ 2.8**	**$ 7.8**	**$ 42.2**	**$ 8.3**	**$ 9.2**	**$ 5.3**	**$ 1.0**	**$ 23.8**	**$ 8.1**	**$ 12.1**	**$ 12.0**	**$ 9.6**	**$ 42.2**	**$ 10.6**	**$ 13.8**	**$ 14.1**	**$ 12.1**	**$ 50.6**
Diluted EPS (loss)	**$ (0.37)**	**$ (2.07)**	**$ 0.23**	**$ 0.62**	**$ 3.18**	**$ 0.60**	**$ 0.67**	**$ 0.38**	**$ 0.07**	**$ 1.70**	**$ 0.57**	**$ 0.86**	**$ 0.84**	**$ 0.67**	**$ 2.97**	**$ 0.74**	**$ 0.96**	**$ 0.98**	**$ 0.83**	**$ 3.50**
Net income (loss) - adjusted (1)	**0.1**	**(14.4)**	**16.7**	**38.4**	**47.5**	**9.3**	**10.4**	**9.1**	**9.0**	**37.9**	**9.2**	**13.2**	**12.9**	**10.4**	**45.7**	**11.0**	**14.1**	**14.4**	**12.4**	**51.8**
EPS (loss) - adjusted (1)	**$ 0.01**	**$ (1.20)**	**$ 1.37**	**$ 3.07**	**$ 3.60**	**$ 0.66**	**$ 0.75**	**$ 0.65**	**$ 0.65**	**$ 2.70**	**$ 0.65**	**$ 0.93**	**$ 0.90**	**$ 0.73**	**$ 3.21**	**$ 0.76**	**$ 0.98**	**$ 0.99**	**$ 0.85**	**$ 3.58**
Diluted shares outstanding	12.2	12.0	12.2	12.5	13.3	13.9	14.0	14.0	14.0	14.0	14.1	14.2	14.3	14.3	14.2	14.4	14.4	14.5	14.6	14.5
EBITDA (1)	58.1	40.4	81.2	121.5	127.1	28.2	29.6	29.2	27.1	114.1	29.3	34.2	34.7	31.6	129.8	32.8	36.7	37.0	34.4	140.9
EBITDA - adjusted (1) (2)	72.9	93.4	91.8	135.2	151.7	33.9	35.2	34.2	35.3	137.5	34.6	38.8	38.2	35.1	146.7	35.7	39.5	39.8	37.3	152.3
Margin Analysis																				
Gross margin	13.0%	10.9%	12.6%	16.4%	17.0%	16.8%	17.0%	16.7%	17.3%	17.0%	17.3%	17.9%	17.8%	17.2%	17.6%	17.3%	17.5%	17.3%	17.4%	17.4%
Operating margin	1.2%	-0.8%	1.5%	5.1%	5.2%	4.7%	5.0%	4.3%	2.5%	4.1%	4.7%	5.6%	5.8%	5.3%	5.4%	5.5%	6.1%	6.2%	6.0%	5.9%
Operatin margin - adjusted	1.7%	0.1%	2.6%	5.4%	5.6%	4.9%	5.3%	5.2%	4.8%	5.1%	5.0%	5.9%	6.1%	5.5%	5.6%	5.6%	6.2%	6.3%	6.1%	6.1%
EBITDA margin	4.5%	2.8%	4.9%	7.3%	7.7%	7.0%	7.4%	7.3%	6.9%	7.1%	7.0%	7.8%	8.0%	7.5%	7.6%	7.6%	8.0%	8.1%	8.0%	7.9%
EBITDA - adjusted margin	5.6%	6.5%	5.5%	8.1%	9.2%	8.4%	8.8%	8.6%	8.9%	8.6%	8.2%	8.8%	8.8%	8.4%	8.6%	8.2%	8.6%	8.7%	8.7%	8.6%
Pre-tax margin	-0.6%	-2.3%	0.0%	2.5%	2.7%	2.4%	2.7%	1.1%	-0.3%	1.5%	2.3%	3.3%	3.5%	2.9%	3.0%	3.1%	3.8%	3.9%	3.5%	3.6%
Net income margin	-0.4%	-1.8%	0.2%	2.0%	2.4%	1.9%	2.2%	1.2%	-0.2%	1.3%	1.9%	2.7%	2.9%	2.4%	2.5%	2.5%	3.1%	3.2%	2.9%	3.0%
Tax rate	34.2%	20.0%	-720.0%	20.5%	11.0%	19.6%	16.8%	-8.9%	45.5%	11.8%	16.8%	16.7%	17.0%	17.0%	16.9%	17.0%	17.0%	17.0%	17.0%	17.0%
Growth Rate Analysis Y/Y																				
Total revenues	-20.0%	11.0%	15.7%	-0.3%	-0.2%	-2.9%	-7.5%	-4.5%	1.7%	-3.4%	3.8%	10.0%	8.8%	6.1%	7.2%	2.9%	3.8%	5.0%	2.4%	3.5%
Total cost of revenues	-17.0%	13.8%	13.5%	-4.6%	-1.0%	-2.6%	-7.7%	-3.9%	0.9%	-3.4%	3.3%	8.8%	7.4%	6.2%	6.4%	2.8%	4.3%	5.6%	2.2%	3.8%
SG&A	-13.7%	16.6%	0.6%	1.2%	3.3%	2.3%	-1.3%	-2.7%	6.7%	1.2%	7.3%	13.5%	11.4%	3.6%	8.9%	-1.1%	-1.5%	-2.5%	-1.9%	-1.8%
Operating income	-81.1%	-177.1%	308.3%	233.7%	3.0%	-21.3%	-18.3%	-26.7%	-30.6%	-23.4%	4.2%	21.9%	46.6%	122.0%	38.4%	21.6%	13.6%	11.1%	15.2%	15.0%
Operating income - adjusted	-75.7%	-91.9%	2327.8%	105.7%	4.0%	-18.1%	-16.7%	-13.6%	-2.1%	-13.3%	5.5%	20.6%	26.2%	22.8%	18.8%	16.4%	9.8%	8.8%	12.4%	11.6%
EBITDA	-53.9%	-30.5%	101.0%	49.6%	4.6%	-13.8%	-12.9%	-10.7%	-2.2%	-10.2%	3.9%	15.5%	18.9%	16.4%	13.7%	12.0%	7.2%	6.7%	9.1%	8.6%
EBITDA - adjusted	-46.7%	28.1%	-1.7%	47.3%	12.2%	-10.3%	-10.7%	-11.2%	-4.6%	-9.4%	2.1%	10.2%	11.6%	-0.5%	6.7%	3.2%	1.7%	4.3%	6.2%	3.8%
Pre-tax income	-113.3%	-345.2%	101.5%	8200.0%	7.0%	-27.6%	-23.6%	-64.3%	-125.0%	-46.4%	-2.1%	34.6%	234.1%	1185.7%	113.8%	39.6%	19.5%	17.3%	26.4%	24.2%
Net income	-112.1%	-441.7%	115.8%	704.9%	19.7%	-22.8%	-21.9%	-62.9%	-112.5%	-46.8%	1.3%	34.8%	154.7%	1752.1%	101.4%	39.4%	19.0%	17.3%	26.4%	24.0%
EPS	-111.9%	-458.0%	111.1%	171.3%	410.4%	-20.4%	-27.2%	-48.2%	98.6%	-46.5%	-3.8%	27.3%	122.9%	833.8%	74.0%	28.6%	11.8%	15.5%	24.5%	18.0%
EPS - adjusted	-99.8%	nm	214.0%	124.5%	17.1%	-22.2%	-26.6%	-39.1%	-2.4%	-25.0%	-1.0%	24.7%	38.5%	11.2%	19.0%	16.8%	4.9%	10.4%	17.3%	11.7%
Share count - fully diluted	-1.8%	-1.2%	1.5%	2.7%	6.0%	8.6%	8.1%	4.5%	0.7%	5.4%	1.4%	1.8%	1.9%	2.4%	1.9%	2.0%	1.5%	1.5%	1.5%	1.6%

(1) Adjusted numbers exclude 1x items
(2) Adjusted EBITDA as defined by PKOH; excludes 1x exp, SBC, & includes other -penions inc & non-controlling int

Source: Company Reports, Stonegate Capital Markets estimates

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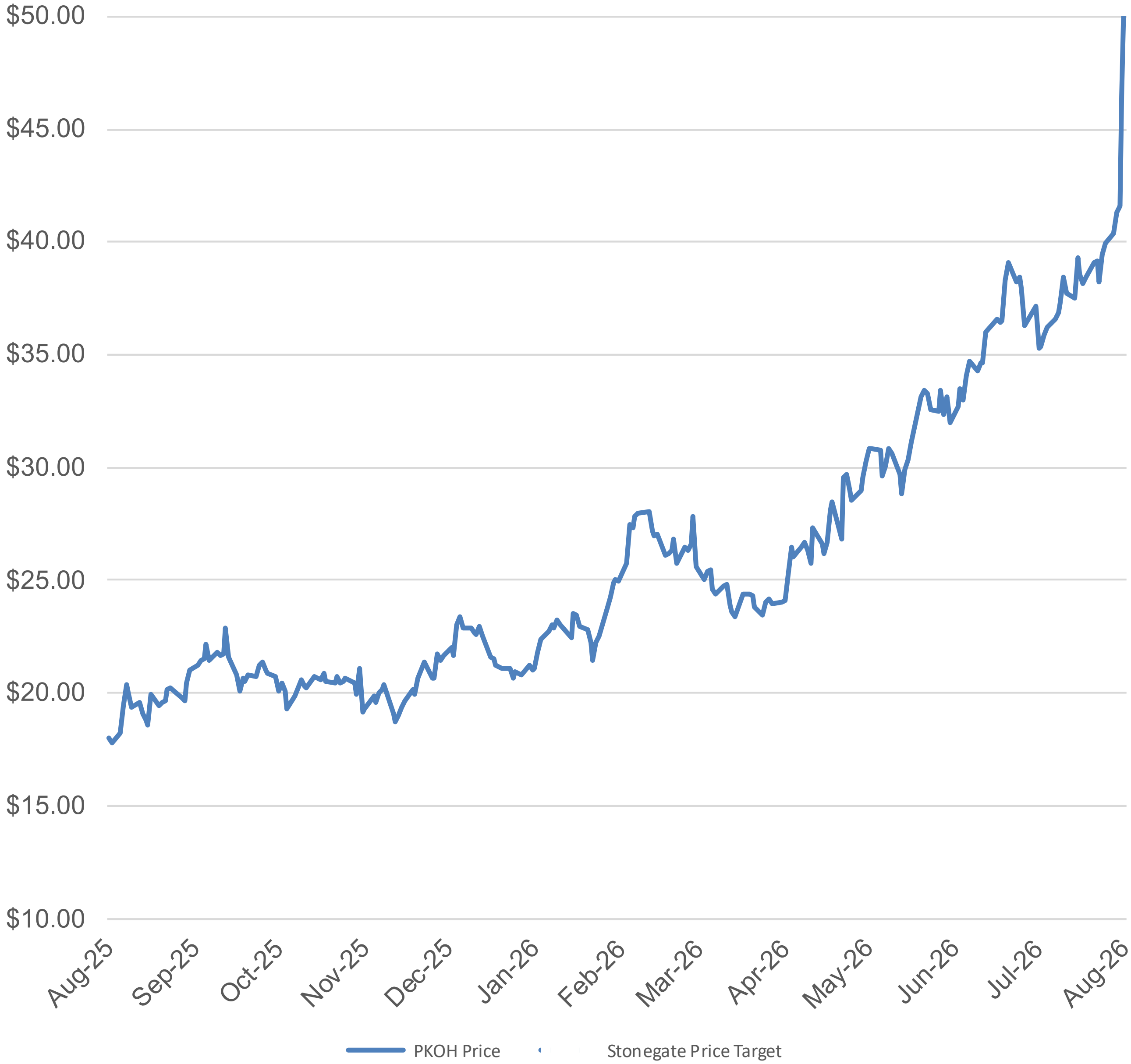
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Stonegate Price Target