UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 27, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission file number 001-38366

Gates Industrial Corporation plc

(Exact Name of Registrant as Specified in its Charter)

England and Wales (State or other jurisdiction of incorporation or organization)	**98-1395184** (I.R.S. Employer Identification No.)
1144 Fifteenth Street, Denver, Colorado 80202 (Address of principal executive offices)	(Zip Code)

(303) 744-1911
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, $0.01 par value per share	GTES	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 27, 2025, there were 258,280,391 ordinary shares of $0.01 par value outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this “quarterly report” or “report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “predicts,” “intends,” “trends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those expressed in or implied by our forward-looking statements, including but not limited to the factors described in Item 1A. “Risk Factors” in Part II of the Company’s Quarterly Report on Form 10-Q for the period ended March 29, 2025 and in Item 1A. “Risk Factors” in Part I of the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024 (the “annual report”), each as filed with the Securities and Exchange Commission (the “SEC”), which include the following: U.S. government policies, actions or legislation (including the imposition of tariffs), economic, political and other risks associated with international operations; availability of raw materials or other manufacturing inputs at favorable prices in sufficient quantities, or at a given time; changes in our relationships with, or the financial condition, performance, purchasing power or inventory levels of, key channel partners; catastrophic events, including global pandemics; dependence on the continued operation of our manufacturing facilities, supply chains, distribution systems and information technology systems; our ability to forecast demand or meet significant increases in demand; our cost-reduction actions; market acceptance of new product introductions and innovations; longer lives of products used in our end markets may affect demand for some of our replacement products; development of the replacement market in emerging markets may limit our ability to grow; pursuit of strategic transactions, including acquisitions, divestitures, restructurings, joint ventures, strategic alliances or investments, which could create risks and present unforeseen integration obstacles or costs; our investments in joint ventures; loss or financial instability of any significant customer; societal responses to sustainability issues, including those related to climate change; the ability to maintain and enhance our strong brand; pricing pressures from customers; cyber-security vulnerabilities, threats, and more sophisticated and targeted computer crimes; failure of information systems; highly complex and rapidly evolving global privacy, data protection and data security requirements; existing or new laws and regulations, including but not limited to those relating to health, safety, and environmental concerns, and the sale of aftermarket products; failure to comply with anti-corruption laws and other laws governing our international operations; recalls, product liability claims or product warranties claims; failure to develop, obtain, enforce and protect our intellectual property rights in all jurisdictions throughout the world; infringement on the intellectual property of others; litigation, legal and regulatory proceedings and obligations, and the availability and coverage of insurance; loss of senior management or key personnel; work stoppages and other labor matters; potential requirement to make additional cash contributions to our defined benefit pension plans; change in our effective tax rates or additional tax liabilities; change in tax laws; tax authorities may no longer treat us as being exclusively a resident of the U.K. for tax purposes; and our substantial indebtedness, including interest rate risk, as such factors may be updated from time to time in the Company’s periodic filings with the SEC. Investors are urged to consider carefully the disclosure in this report and our other filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. Gates undertakes no obligation to update or supplement any forward-looking statements as a result of new information, future events or otherwise, except as required by law.

Website Disclosure

We use our website (www.gates.com) as a channel of distribution of company information. The information we post through this channel may be deemed material. Accordingly, investors should monitor this channel, in addition to following our press releases, SEC filings and public conference calls, and webcasts. In addition, you may automatically receive email alerts and other information about Gates Industrial Corporation when you enroll your email address by visiting the “Investor Resources—Email Alerts” section of our website at https://investors.gates.com. The contents of our website and any alerts are not, however, a part of this report.

ABOUT THIS QUARTERLY REPORT

Financial Statement Presentation

Gates Industrial Corporation plc is a public limited company that was incorporated under the Companies Act 2006 on September 25, 2017 and is registered in England and Wales.

Certain monetary amounts, percentages and other figures included elsewhere in this quarterly report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

All amounts in this quarterly report are expressed in United States of America (the "U.S.") dollars, unless indicated otherwise.

Certain Definitions

As used in this quarterly report, unless otherwise noted or the context requires otherwise:

- "Gates," the "Company," "we," "us" and "our" refer to Gates Industrial Corporation plc and its consolidated subsidiaries; and
- "Board" refers to the board of directors of Gates Industrial Corporation plc.

PART I — FINANCIAL INFORMATION

Item 1: Financial Statements (unaudited)

Gates Industrial Corporation plc

Unaudited Condensed Consolidated Statements of Operations

	Three months ended		Nine months ended	
(dollars in millions, except per share amounts)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net sales	$ 855.7	$ 830.7	$ 2,587.0	$ 2,578.8
Cost of sales	514.1	494.9	1,540.6	1,555.6
Gross profit	**341.6**	**335.8**	**1,046.4**	**1,023.2**
Selling, general and administrative expenses	219.2	217.2	666.6	653.5
Transaction-related expenses	0.1	0.5	0.5	2.1
Asset impairments	0.4	—	1.2	—
Restructuring expenses	6.5	2.2	21.1	5.0
Other operating expenses	—	—	—	0.1
Operating income from continuing operations	**115.4**	**115.9**	**357.0**	**362.5**
Interest expense	34.9	35.1	93.3	121.7
Loss on deconsolidation of Russian subsidiary	—	12.8	—	12.8
Other income	(14.3)	(1.2)	(5.1)	(12.1)
Income from continuing operations before taxes	**94.8**	**69.2**	**268.8**	**240.1**
Income tax expense	6.1	14.0	48.1	60.8
Net income from continuing operations	**88.7**	**55.2**	**220.7**	**179.3**
Loss on disposal of discontinued operations, net of tax, respectively, of $0, $0, $0 and $0	0.1	0.1	0.7	0.5
Net income	**88.6**	**55.1**	**220.0**	**178.8**
Less: non-controlling interests	7.0	7.5	19.9	20.5
Net income attributable to shareholders	**$ 81.6**	**$ 47.6**	**$ 200.1**	**$ 158.3**
Earnings per share				
Basic				
Earnings per share from continuing operations	$ 0.32	$ 0.18	$ 0.78	$ 0.61
Earnings per share from discontinued operations	—	—	—	—
Earnings per share	**$ 0.32**	**$ 0.18**	**$ 0.78**	**$ 0.61**
Diluted				
Earnings per share from continuing operations	$ 0.31	$ 0.18	$ 0.77	$ 0.60
Earnings per share from discontinued operations	—	—	—	—
Earnings per share	**$ 0.31**	**$ 0.18**	**$ 0.77**	**$ 0.60**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc

Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Net income	**$ 88.6**	**$ 55.1**	**$ 220.0**	**$ 178.8**
Other comprehensive income (loss)				
Foreign currency translation:				
—Net translation (loss) gain on foreign operations, net of tax (expense) benefit, respectively, of $(0.4), $0.3, $(0.4) and $3.6	(5.7)	101.1	312.1	(59.5)
—Gain (loss) on net investment hedges, net of tax (expense) benefit, respectively, of $(2.7), $0.3, $1.9 and $(3.6)	17.8	(49.8)	(130.5)	(27.8)
Total foreign currency translation movements	**12.1**	**51.3**	**181.6**	**(87.3)**
Cash flow hedges (interest rate and currency forward derivatives):				
— (Loss) gain arising in the period, net of tax benefit (expense), respectively, of $0.3, $4.3, $2.1 and $(0.1)	(1.8)	(12.7)	(7.0)	0.3
—Reclassification to net income, net of tax benefit, respectively, of $0.0, $2.3, $3.4 and $6.8	—	(6.7)	(10.2)	(20.2)
Total cash flow hedges movements	**(1.8)**	**(19.4)**	**(17.2)**	**(19.9)**
Post-retirement benefits:				
—Reclassification of prior year actuarial movements to net income, net of tax benefit, respectively, of $0.0, $0.1, $0.2 and $0.4	(0.2)	(0.5)	(0.5)	(1.4)
Total post-retirement benefits movements	**(0.2)**	**(0.5)**	**(0.5)**	**(1.4)**
Other comprehensive income (loss)	**10.1**	**31.4**	**163.9**	**(108.6)**
Comprehensive income for the period	**$ 98.7**	**$ 86.5**	**$ 383.9**	**$ 70.2**
Comprehensive income attributable to shareholders:				
—Income arising from continuing operations	$ 93.4	$ 54.7	$ 349.7	$ 45.3
—Loss arising from discontinued operations	(0.1)	(0.1)	(0.7)	(0.5)
	93.3	**54.6**	**349.0**	**44.8**
Comprehensive income attributable to non-controlling interests	5.4	31.9	34.9	25.4
	$ 98.7	**$ 86.5**	**$ 383.9**	**$ 70.2**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Gates Industrial Corporation plc

Unaudited Condensed Consolidated Balance Sheets

(dollars in millions, except share numbers and per share amounts)	As of September 27, 2025	As of December 28, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 689.4	$ 682.0
Trade accounts receivable, net	833.3	722.7
Inventories	718.1	676.0
Taxes receivable	46.4	28.6
Prepaid expenses and other assets	197.8	196.7
Total current assets	**2,485.0**	**2,306.0**
Non-current assets		
Property, plant and equipment, net	609.3	579.5
Goodwill	2,019.8	1,908.9
Pension surplus	5.6	5.7
Intangible assets, net	1,207.0	1,248.6
Right-of-use assets	142.0	139.4
Taxes receivable	16.5	20.7
Deferred income taxes	627.1	553.5
Other non-current assets	37.4	24.0
Total assets	**$ 7,149.7**	**$ 6,786.3**
Liabilities and equity		
Current liabilities		
Debt, current portion	$ 30.5	$ 39.1
Trade accounts payable	385.3	408.2
Taxes payable	26.5	22.9
Accrued expenses and other current liabilities	263.1	251.3
Total current liabilities	**705.4**	**721.5**
Non-current liabilities		
Debt, less current portion	2,204.3	2,311.5
Post-retirement benefit obligations	68.0	78.0
Lease liabilities	126.3	127.3
Taxes payable	60.0	82.2
Deferred income taxes	58.1	56.8
Other non-current liabilities	212.5	68.7
Total liabilities	**3,434.6**	**3,446.0**
Commitments and contingencies (Note 18)		
Shareholders' equity		
—Shares, par value of $0.01 each - authorized shares: 3,000,000,000; outstanding shares: 258,249,123 (December 28, 2024: authorized shares: 3,000,000,000; outstanding shares: 255,203,987)	2.6	2.6
—Additional paid-in capital	2,628.7	2,618.6
—Accumulated other comprehensive loss	(928.3)	(1,077.2)
—Retained earnings	1,667.0	1,479.6
Total shareholders' equity	**3,370.0**	**3,023.6**
Non-controlling interests	345.1	316.7
Total equity	**3,715.1**	**3,340.3**
Total liabilities and equity	**$ 7,149.7**	**$ 6,786.3**

The accompanying notes form an integral part of these condensed consolidated financial statements

Gates Industrial Corporation plc
Unaudited Condensed Consolidated Statements of Cash Flows

(dollars in millions)	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Cash flows from operating activities		
Net income	$ 220.0	$ 178.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	159.1	162.8
Foreign exchange and other non-cash financing income	(20.3)	(26.2)
Share-based compensation expense	22.4	20.2
Decrease in post-employment benefit obligations, net	(13.1)	(6.6)
Deferred income taxes	(6.3)	(25.1)
Asset impairments	1.2	—
Loss on deconsolidation of Russian Entity	—	12.8
Loss (gain) on disposal of property, plant and equipment	0.2	(7.2)
Other operating activities	4.7	(1.5)
Changes in operating assets and liabilities:		
—Accounts receivable	(71.4)	(46.1)
—Inventories	(6.7)	(84.0)
—Accounts payable	(40.9)	(25.0)
—Prepaid expenses and other assets	0.9	18.2
—Taxes payable	(30.7)	(2.6)
—Other liabilities	(10.8)	20.2
Net cash provided by operating activities	**208.3**	**188.7**
Cash flows from investing activities		
Purchases of property, plant and equipment	(54.4)	(59.8)
Purchases of intangible assets	(26.0)	(13.5)
Purchases of investments	—	(11.3)
Cash paid under company-owned life insurance policies	(10.4)	(5.4)
Cash received under company-owned life insurance policies	2.4	11.2
Proceeds from the sale of property, plant and equipment	2.2	11.0
Cash deconsolidated from previously controlled subsidiary	—	(12.5)
Other investing activities	(0.7)	—
Net cash used in investing activities	**(86.9)**	**(80.3)**
Cash flows from financing activities		
Issuance of shares	9.8	10.0
Repurchase of shares	(13.0)	(176.1)
Proceeds from long-term debt	—	1,840.0
Payments of long-term debt	(114.1)	(1,917.0)
Debt issuance costs paid	—	(20.5)
Employee taxes paid from shares withheld	(20.1)	(4.7)
Dividends paid to non-controlling interests	(6.5)	(1.7)
Other financing activities	9.0	16.5
Net cash used in financing activities	**(134.9)**	**(253.5)**
Effect of exchange rate changes on cash and cash equivalents and restricted cash	21.0	(1.4)
Net increase (decrease) in cash and cash equivalents and restricted cash	**7.5**	**(146.5)**
Cash and cash equivalents and restricted cash at the beginning of the period	684.8	724.0
Cash and cash equivalents and restricted cash at the end of the period	**$ 692.3**	**$ 577.5**

Supplemental schedule of cash flow information		
Interest paid	$ 95.9	$ 104.7
Income taxes paid	$ 84.4	$ 88.5
Accrued capital expenditures	$ 2.2	$ 1.0

The accompanying notes form an integral part of these condensed consolidated financial statements

Gates Industrial Corporation plc
Unaudited Condensed Consolidated Statements of Shareholders' Equity

(dollars in millions)	Share capital	Additional paid-in capital	Treasury Shares	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
	Three months ended September 27, 2025							
As of June 28, 2025	$ 2.6	$ 2,621.0	$ —	$ (940.0)	$ 1,585.4	**$ 3,269.0**	$ 342.7	**$ 3,611.7**
Net income	—	—	—	—	81.6	**81.6**	7.0	**88.6**
Other comprehensive income (loss)	—	—	—	11.7	—	**11.7**	(1.6)	**10.1**
Total comprehensive income	—	—	—	**11.7**	**81.6**	**93.3**	**5.4**	**98.7**
Other changes in equity:								
—Issuance of shares	—	5.1	—	—	—	**5.1**	—	**5.1**
—Shares withheld for employee taxes	—	(3.2)	—	—	—	**(3.2)**	—	**(3.2)**
—Share-based compensation	—	5.8	—	—	—	**5.8**	—	**5.8**
—Dividends paid to non-controlling interests	—	—	—	—	—	—	(3.0)	**(3.0)**
As of September 27, 2025	**$ 2.6**	**$ 2,628.7**	**$ —**	**$ (928.3)**	**$ 1,667.0**	**$ 3,370.0**	**$ 345.1**	**$ 3,715.1**

(dollars in millions)	Share capital	Additional paid-in capital	Treasury Shares	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
	Three months ended September 28, 2024							
As of June 29, 2024	$ 2.6	$ 2,600.9	$ —	$ (949.0)	$ 1,522.5	**$ 3,177.0**	$ 317.3	**$ 3,494.3**
Net income	—	—	—	—	47.6	**47.6**	7.5	**55.1**
Other comprehensive income	—	—	—	7.0	—	**7.0**	24.4	**31.4**
Total comprehensive income	—	—	—	**7.0**	**47.6**	**54.6**	**31.9**	**86.5**
Other changes in equity:								
—Issuance of shares	—	2.9	—	—	—	**2.9**	—	**2.9**
—Shares withheld for employee taxes	—	(2.3)	—	—	—	**(2.3)**	—	**(2.3)**
—Buy-back of shares	(0.1)	—	(127.1)	—	—	**(127.2)**	—	**(127.2)**
—Share-based compensation	—	5.3	—	—	—	**5.3**	0.1	**5.4**
—Dividends paid to non-controlling interests	—	—	—	—	—	—	(1.7)	**(1.7)**
As of September 28, 2024	**$ 2.5**	**$ 2,606.8**	**$ (127.1)**	**$ (942.0)**	**$ 1,570.1**	**$ 3,110.3**	**$ 347.6**	**$ 3,457.9**

(dollars in millions)	Share capital	Additional paid-in capital	Treasury Shares	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
	Nine months ended September 27, 2025							
As of December 28, 2024	$ 2.6	$ 2,618.6	$ —	$ (1,077.2)	$ 1,479.6	**$ 3,023.6**	$ 316.7	**$ 3,340.3**
Net income	—	—	—	—	200.1	**200.1**	19.9	**220.0**
Other comprehensive income	—	—	—	148.9	—	**148.9**	15.0	**163.9**
Total comprehensive income	—	—	**—**	**148.9**	**200.1**	**349.0**	**34.9**	**383.9**
Other changes in equity:								
—Issuance of shares	—	9.8	—	—	—	**9.8**	—	**9.8**
—Shares withheld for employee taxes	—	(20.1)	—	—	—	**(20.1)**	—	**(20.1)**
—Buy-back and cancellation of shares	—	—	—	—	(12.7)	**(12.7)**	—	**(12.7)**
—Share-based compensation	—	20.4	—	—	—	**20.4**		**20.4**
—Dividends paid to non-controlling interests	—	—	—	—	—	—	(6.5)	**(6.5)**
As of September 27, 2025	**$ 2.6**	**$ 2,628.7**	**$ —**	**$ (928.3)**	**$ 1,667.0**	**$ 3,370.0**	**$ 345.1**	**$ 3,715.1**

(dollars in millions)	Share capital	Additional paid-in capital	Treasury Shares	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
	Nine months ended September 28, 2024							
As of December 30, 2023	$ 2.6	$ 2,583.8	$ —	$ (828.5)	$ 1,462.3	**$ 3,220.2**	$ 323.7	**$ 3,543.9**
Net income	—	—	—	—	158.3	**158.3**	20.5	**178.8**
Other comprehensive (loss) income	—	—	—	(113.5)	—	**(113.5)**	4.9	**(108.6)**
Total comprehensive (loss) income	—	—	**—**	**(113.5)**	**158.3**	**44.8**	**25.4**	**70.2**
Other changes in equity:								
—Issuance of shares	—	10.0	—	—	—	**10.0**	—	**10.0**
—Shares withheld for employee taxes	—	(4.7)	—	—	—	**(4.7)**	—	**(4.7)**
—Buy-back and cancellation of shares	(0.1)	—	(127.1)	—	(50.5)	**(177.7)**	—	**(177.7)**
—Share-based compensation	—	17.7	—	—	—	**17.7**	0.2	**17.9**
—Dividends paid to non-controlling interests	—	—	—	—	—	**—**	(1.7)	**(1.7)**
As of September 28, 2024	**$ 2.5**	**$ 2,606.8**	**$ (127.1)**	**$ (942.0)**	**$ 1,570.1**	**$ 3,110.3**	**$ 347.6**	**$ 3,457.9**

The accompanying notes form an integral part of these condensed consolidated financial statements

Gates Industrial Corporation plc

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Introduction

A. Background

Gates Industrial Corporation plc (the "Company") is a public limited company that was registered in England and Wales on September 25, 2017.

In these condensed consolidated financial statements and related notes, all references to "Gates," "we," "us," and "our" refer, unless the context requires otherwise, to the Company and its consolidated subsidiaries.

B. Accounting periods

The Company has historically prepared its annual consolidated financial statements for the period ending on the Saturday nearest December 31. Accordingly, the condensed consolidated balance sheets as of September 27, 2025 and December 28, 2024, and the related condensed consolidated statements of operations, comprehensive income, cash flows, and shareholders' equity are presented, where relevant, for the 91-day period from June 29, 2025 to September 27, 2025, with comparative information for the 91-day period from June 30, 2024 to September 28, 2024 and for the 273-day period from December 29, 2024 to September 27, 2025, with comparative information for the 273-day period from December 31, 2023 to September 28, 2024.

C. Basis of preparation

The condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in U.S. dollars unless otherwise indicated. The condensed consolidated financial statements and related notes contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the Company's financial position as of September 27, 2025 and the results of its operations and cash flows for the periods ended September 27, 2025 and September 28, 2024. Interim period results are not necessarily indicative of the results to be expected for the full fiscal year.

The preparation of consolidated financial statements under U.S. GAAP requires us to make assumptions and estimates concerning the future that affect the reported amounts of assets, liabilities, revenue and expenses. Estimates and assumptions are particularly important in accounting for items such as revenue, rebates, impairment of long-lived assets, intangible assets and goodwill, inventory valuation, financial instruments, expected credit losses, product warranties, income taxes and post-retirement benefits. Estimates and assumptions used are based on factors such as historical experience, observance of trends in the industries in which we operate and information available from our customers and other outside sources.

These condensed consolidated financial statements are unaudited and have been prepared on substantially the same basis as Gates' audited annual consolidated financial statements and related notes for the year ended December 28, 2024 included in the Company's Annual Report on Form 10-K and should be read in conjunction therewith. The condensed consolidated balance sheet as of December 28, 2024 has been derived from those audited financial statements.

During 2021, the Company implemented a program with an unrelated third party under which we may periodically sell trade accounts receivable from one of our aftermarket customers with whom we have extended payment terms as part of a commercial agreement. The purpose of using this program is to generally offset the working capital impact resulting from this terms extension. All eligible accounts receivable from this customer are covered by the program, and any factoring is solely at our option. Following the factoring of a qualifying receivable, because we maintain no continuing involvement in the underlying receivable, and collectability risk is fully transferred to the unrelated third party, we account for these transactions as a sale of a financial asset and derecognize the asset. Cash received under the program is classified as operating cash inflows in the consolidated statement of cash flows. As of September 27, 2025, the collection of $146.5 million of our trade accounts receivable had been accelerated under this program, compared to the accelerated collection of $148.6 million as of December 28, 2024. During the three and nine months ended September 27, 2025, we incurred costs in respect of this program of $2.1 million and $6.5 million. During the three and nine months ended September 28, 2024, we incurred costs in respect of this program of $2.2 million and $6.6 million.

In 2022, as a result of the conflict between Russia and Ukraine, the Company began exiting substantially all its activities in Russia with only residual cash and de minimis administrative costs remaining in 2024. During the three months ended September 28, 2024, the Company concluded that the inability to repatriate remaining cash coupled with the significant government regulations and restrictions currently in place, which are expected to continue or worsen, severely limits its ability to manage and control its Russian subsidiary. As a result, the Company's Russian subsidiary was deconsolidated as of September 28, 2024. The impact of the deconsolidation was a $12.8 million loss included in the results of operations for the three and nine months ended September 28, 2024.

The accounting policies used in preparing these condensed consolidated financial statements are the same as those applied in the prior year. During the nine months ended September 27, 2025, we reclassified foreign currency transaction loss of $2.2 million from Selling, general and administrative expenses to Other expenses (income) within the statements of operations. In addition, we have reclassified the amounts relating to prior period results to conform to current period presentation. The results of reclassification did not impact net income and are not considered material.

2. Recent accounting pronouncements not yet adopted

The following accounting pronouncements are relevant to Gates' operations but have not yet been adopted.

- Accounting Standards Update ("ASU") 2025-6 *"Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40)"*

In September 2025, the Financial Accounting Standards Board ("FASB") issued an ASU to modernize the accounting for software costs. The amendment removes all references to prescriptive and sequential software development stages (referred to as "project stages") for capitalization throughout Subtopic 350-40 and introduces a principles-based capitalization model. Under the new guidance, an entity is required to start capitalizing software costs when both of the following occur: (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The amendment also introduces the concept of significant development uncertainty, which precludes capitalization until such uncertainty is resolved. The updated standard is effective for our annual periods beginning in fiscal year 2028 and interim periods beginning in the first quarter of fiscal year 2028, with early adoption permitted. We are currently evaluating the impact the updated standard will have on our consolidated financial statements and disclosures.

- ASU 2024-03 *"Income Statement - Reporting Comprehensive Income: Expense Disaggregation Disclosures"*

In November 2024, the FASB issued an ASU to require disclosure of specified information about certain expense amounts comprising of Cost of sales, and Selling, general and administrative expenses, as well as qualitative description of the remaining expense amounts. The amendments in this update are intended to provide investors with additional information about specific expense categories in the notes to the financial statements at interim and annual reporting periods. The updated standard is effective for our annual periods beginning in fiscal year 2027 and interim periods beginning in the first quarter of fiscal year 2028, with early adoption permitted. We are currently evaluating the impact the updated standard will have on our consolidated financial statements and disclosures.

- ASU 2023-06 "*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*"

In October 2023, the FASB issued an ASU to amend certain disclosure and presentation requirements for a variety of topics within the Accounting Standards Codification ("ASC"). These amendments align the requirements in the ASC to the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K as promulgated by the Securities and Exchange Commission ("SEC"). The effective date for each amended topic in the ASC is either the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited. We do not expect the application of this standard to have a material impact on our consolidated financial statements and disclosures.

- ASU 2023-09 "*Income Taxes*" *(Topic 740): Improvements to Income Tax Disclosures*

In December 2023, the FASB issued an ASU that requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The updated standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and applies to all entities subject to income taxes. The updated standard is effective for our annual periods beginning in fiscal year 2025 and interim periods beginning in the first quarter of fiscal year 2026, with early adoption permitted. We are currently evaluating the impact the updated standard will have on our financial statement disclosures.

3. Segment information

A. Background

The segment information provided in these condensed consolidated financial statements reflects the information that is used by the chief operating decision maker for the purposes of making decisions about allocating resources and in assessing the performance of each segment. The chief executive officer ("CEO") of Gates serves as the chief operating decision maker. These decisions are based on net sales and Adjusted EBITDA (defined below).

B. Operating segments and segment assets

Gates manufactures a wide range of power transmission and fluid power products and components for a large variety of industrial and automotive applications, both in the aftermarket and original equipment manufacturer (“OEM”) channels, throughout the world.

Our reportable segments are identified on the basis of our primary product lines, as this is the basis on which information is provided to the CEO for the purposes of allocating resources and assessing the performance of Gates’ businesses. Our operating and reportable segments are therefore Power Transmission and Fluid Power.

Segment asset information is not provided to the chief operating decision maker and therefore segment asset information has not been presented. Due to the nature of Gates’ operations, cash generation and profitability are viewed as the key measures rather than an asset-based measure.

C. Segment net sales and disaggregated net sales

Sales between reportable segments and the impact of such sales on Adjusted EBITDA for each segment are not included in internal reports presented to the CEO and have therefore not been included below.

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Power Transmission	$ 533.3	$ 513.4	$ 1,610.6	$ 1,588.1
Fluid Power	322.4	317.3	976.4	990.7
Net sales	**$ 855.7**	**$ 830.7**	**$ 2,587.0**	**$ 2,578.8**

Our commercial function is organized by region and therefore, in addition to reviewing net sales by our reportable segments, the CEO also reviews net sales information disaggregated by region and by channels.

The following tables summarize our net sales by key geographic region:

	Three months ended			
	September 27, 2025		September 28, 2024	
(dollars in millions)	Power Transmission	Fluid Power	Power Transmission	Fluid Power
U.S.	$ 149.4	$ 170.8	$ 140.9	$ 168.1
North America, excluding the U.S.	54.7	40.9	56.6	49.2
South America	24.4	11.3	26.3	10.6
United Kingdom ("U.K.")	8.2	16.7	9.1	16.0
Luxembourg	61.4	23.8	63.8	21.0
EMEA[(1)], excluding the U.K. and Luxembourg	88.4	26.4	73.7	25.1
East Asia and India	71.3	21.3	70.4	18.5
Greater China	75.5	11.2	72.6	8.8
Net sales	**$ 533.3**	**$ 322.4**	**$ 513.4**	**$ 317.3**

(dollars in millions)	Nine months ended September 27, 2025 Power Transmission	Fluid Power	September 28, 2024 Power Transmission	Fluid Power
U.S.	$ 458.3	$ 522.6	$ 425.8	$ 524.1
North America, excluding the U.S.	161.1	127.3	182.0	153.0
South America	68.5	31.8	81.3	29.4
U.K.	30.6	49.0	29.6	50.7
Luxembourg	201.2	70.0	191.3	64.8
EMEA[1], excluding the U.K. and Luxembourg	260.4	79.5	257.8	80.1
East Asia and India	211.1	62.9	205.6	58.3
Greater China	219.4	33.3	214.7	30.3
Net Sales	**$ 1,610.6**	**$ 976.4**	**$ 1,588.1**	**$ 990.7**

(1) Europe, Middle East and Africa ("EMEA").

The following tables summarize our segment net sales into OEM and Replacement channels:

(dollars in millions)	For the three months ended September 27, 2025 Power Transmission	Fluid Power	September 28, 2024 Power Transmission	Fluid Power
Replacement	$ 353.1	$ 235.4	$ 339.5	$ 225.4
OEM	180.2	87.0	173.9	91.9
Net sales	**$ 533.3**	**$ 322.4**	**$ 513.4**	**$ 317.3**

(dollars in millions)	For the nine months ended September 27, 2025 Power Transmission	Fluid Power	September 28, 2024 Power Transmission	Fluid Power
Replacement	$ 1,069.5	$ 702.4	$ 1,049.3	$ 684.1
OEM	541.1	274.0	538.8	306.6
Net sales	**$ 1,610.6**	**$ 976.4**	**$ 1,588.1**	**$ 990.7**

D. Measure of segment profit or loss

The CEO uses Adjusted EBITDA, as defined below, to measure the profitability of each segment. Adjusted EBITDA is, therefore, the measure of segment profit or loss presented in Gates' segment disclosures.

"EBITDA" represents net income from continuing operations for the period before net interest and other expense, income taxes, depreciation and amortization. "Adjusted EBITDA" represents EBITDA before certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. During the periods presented, the items excluded from EBITDA in computing Adjusted EBITDA primarily included:

- non-cash charges in relation to share-based compensation;
- inventory adjustments related to certain inventories accounted for on a LIFO basis;
- transaction-related expenses incurred in relation to major corporate transactions, including the acquisition of businesses and related integration activities, and equity and debt transactions;
- asset impairments;
- restructuring expenses, including severance and restructuring-related expenses;
- loss on deconsolidation of Russian subsidiary;
- credit loss related to a customer bankruptcy; and
- other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries.

Adjusted EBITDA by segment was as follows:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Power Transmission	$ 122.1	$ 113.0	$ 361.6	$ 355.8
Fluid Power	73.7	69.5	220.7	224.5
Adjusted EBITDA	**$ 195.8**	**$ 182.5**	**$ 582.3**	**$ 580.3**

The table below represents the segment profit or loss provided to the CEO on a quarterly basis:

	Three months ended					
	September 27, 2025			September 28, 2024		
	Power Transmission	Fluid Power	Total	Power Transmission	Fluid Power	Total
Net sales	$ 533.3	$ 322.4	$ 855.7	$ 513.4	$ 317.3	$ 830.7
Adjusted cost of sales (1)	(313.4)	(196.0)	(509.4)	(299.5)	(190.2)	(489.7)
Adjusted selling, general and administrative expenses ("SG&A") (2)	(113.4)	(65.6)	(179.0)	(111.9)	(68.1)	(180.0)
Depreciation and software amortization	12.8	11.0	23.8	12.9	11.5	24.4
Other adjustments(3)	2.8	1.9	4.7	(1.9)	(1.0)	(2.9)
Adjusted EBITDA	**$ 122.1**	**$ 73.7**	**$ 195.8**	**$ 113.0**	**$ 69.5**	**$ 182.5**

	Nine months ended					
	September 27, 2025			September 28, 2024		
	Power Transmission	Fluid Power	Total	Power Transmission	Fluid Power	Total
Net sales	$ 1,610.6	$ 976.4	$ 2,587.0	$ 1,588.1	$ 990.7	$ 2,578.8
Adjusted cost of sales (1)	(942.2)	(588.3)	(1,530.5)	(934.1)	(598.9)	(1,533.0)
Adjusted selling, general and administrative expenses (2)	(346.8)	(201.1)	(547.9)	(339.0)	(204.2)	(543.2)
Depreciation and software amortization	38.5	32.6	71.1	38.7	35.5	74.2
Other adjustments (3)	1.5	1.1	2.6	2.1	1.4	3.5
Adjusted EBITDA	**$ 361.6**	**$ 220.7**	**$ 582.3**	**$ 355.8**	**$ 224.5**	**$ 580.3**

[(1)] Adjusted cost of sales excluded inventory impairments and adjustments primarily related to the reversal of the adjustment to remeasure certain inventories on a LIFO basis, and restructuring-related expenses (included in cost of sales).

[(2)] Adjusted selling, general and administrative expenses excluded acquired intangible assets amortization, share-based compensation expense, and restructuring-related expenses (included in SG&A).

[(3)] Other adjustments primarily relates to net foreign currency transaction (loss) gain and insurance recoveries.

Reconciliation of net income from continuing operations before taxes to Adjusted EBITDA:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income from continuing operations before taxes	**$ 94.8**	**$ 69.2**	**$ 268.8**	**$ 240.1**
Interest expense	34.9	35.1	93.3	121.7
Depreciation and amortization	53.6	53.7	159.1	162.8
Loss on deconsolidation of Russian subsidiary [(1)]	—	12.8	—	12.8
Share-based compensation expense	6.7	6.4	22.4	20.2
Transaction-related expense [(2)]	0.1	0.5	0.5	2.1
Inventory write-offs and adjustments [(3)] (included in cost of sales)	2.6	4.4	5.6	21.7
Restructuring expenses	6.5	2.2	21.1	5.0
Restructuring-related expenses (included in cost of sales)	2.1	0.9	4.5	0.9
Restructuring-related expenses (included in SG&A)	3.7	1.4	8.3	1.5
Asset impairments	0.4	—	1.2	—
Credit gain related to customer bankruptcy (included in SG&A)	—	(0.2)	—	(0.1)
Other (income) expenses, excluding foreign currency transaction gain or loss and insurance recoveries [(4)]	(4.4)	(3.9)	2.7	(8.5)
Cybersecurity incident insurance recovery [(5)]	(5.2)	—	(5.2)	—
Other items not directly related to current operations	—	—	—	0.1
Adjusted EBITDA	**$ 195.8**	**$ 182.5**	**$ 582.3**	**$ 580.3**

[(1)] In July 2022, as a result of the conflict between Russia and Ukraine, Gates suspended our operations in Russia. As of September 28, 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.

[(2)] Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.

[(3)] Inventory write-offs and adjustments include the reversal of the adjustment to remeasure certain inventories on a LIFO basis.

[(4)] Other (income) expenses excludes foreign currency transaction losses and insurance recoveries of $9.9 million and $7.8 million during the three and nine months ended September 27, 2025, respectively, and foreign currency transaction loss of $2.7 million and $3.6 million gain during the three and nine months ended September 28, 2024, respectively.

[(5)] In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded $5.2 million of expenses from Adjusted EBITDA.

4. Restructuring and restructuring-related expenses

Gates continues to undertake various restructuring and restructuring-related initiatives to drive increased productivity in all aspects of our operations. These actions include efforts to consolidate our manufacturing and distribution footprint, scale operations to current demand levels, streamline our SG&A back-office functions and relocate certain operations to lower cost locations.

Overall costs associated with our restructuring and other restructuring-related initiatives have been recognized in the condensed consolidated statements as set forth below. Expenses incurred in relation to certain of these actions qualify as restructuring expenses under U.S. GAAP.

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Restructuring expenses:				
—Severance and related benefit expense	6.2	0.8	19.2	0.4
—Professional service fees	0.1	1.1	1.4	2.6
—Other net restructuring expenses	0.2	0.3	0.5	2.0
Total restructuring expenses	**6.5**	**2.2**	**21.1**	**5.0**
—Asset impairments related to restructuring	0.4	—	1.2	—
Total restructuring expenses and asset impairments	**$ 6.9**	**$ 2.2**	**$ 22.3**	**$ 5.0**
Other restructuring-related expenses:				
—Severance and restructuring-related expenses included in cost of sales	2.1	0.9	4.5	0.9
—Severance and restructuring-related expenses included in SG&A	3.7	1.4	8.3	1.5
Total restructuring-related expenses	**$ 5.8**	**$ 2.3**	**$ 12.8**	**$ 2.4**

Restructuring expenses during the three and nine months ended September 27, 2025 included $0.3 million and $12.9 million, respectively, of severance and related benefits expense related to a global cost reduction effort. In addition, during the three and nine months ended September 27, 2025, we incurred restructuring expenses of $4.7 million related to a manufacturing reduction in force in the Americas. Other restructuring expenses incurred during the three and nine months ended September 27, 2025 were related to professional service fees, severance and related benefit costs for the relocation of production activities to Mexico. Other restructuring-related expenses incurred during the three and nine months ended September 27, 2025 were primarily costs related to general severance and related benefits, and professional service fees.

Restructuring and other restructuring-related expenses during the three and nine months ended September 28, 2024 included $1.0 million and $2.5 million, respectively, of costs related to the relocation of certain production activities in Mexico. During the three months ended September 28, 2024, we also incurred severance costs of $1.0 million related to the consolidation of production activities across certain North American plants. Other restructuring costs incurred during the three and nine months ended September 28, 2024 included legal and consulting expenses, and costs associated with prior period facility closures or relocations in several countries.

Restructuring activities

As indicated above, restructuring expenses form a subset of our total expenses related to restructuring and other restructuring-related initiatives. Analyzed by segment, our restructuring expenses and restructuring-related asset impairments were as follows:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Power Transmission	$ 4.2	$ 0.6	$ 14.2	$ 1.4
Fluid Power	2.7	1.6	8.1	3.6
Total restructuring expenses and asset impairments	**$ 6.9**	**$ 2.2**	**$ 22.3**	**$ 5.0**

The following summarizes the reserve for restructuring expenses for the nine months ended September 27, 2025 and September 28, 2024, respectively:

	Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024
Balance as of the beginning of the period	$ 2.8	$ 5.1
Utilized during the period	(7.6)	(6.3)
Charge for the period	21.6	5.7
Released during the period	(0.5)	(0.7)
Foreign currency translation	0.4	—
Balance as of the end of the period	**$ 16.7**	**$ 3.8**

Restructuring reserves are included in the condensed consolidated balance sheet within the accrued expenses and other current liabilities line.

5. Income taxes

We compute the year-to-date income tax provision by applying our estimated annual effective tax rate to our year-to-date pre-tax income and adjust for discrete tax items in the period in which they occur.

For the three months ended September 27, 2025, we had an income tax expense of $6.1 million on pre-tax income of $94.8 million, which resulted in an effective tax rate of 6.4%, compared to an income tax expense of $14.0 million on pre-tax income of $69.2 million, which resulted in an effective tax rate of 20.2%, for the three months ended September 28, 2024.

For the three months ended September 27, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $13.5 million, of which $12.6 million related to uncertain tax benefits primarily due to audit settlements, $5.0 million primarily related to prior year adjustments in the U.S. and Luxembourg in which returns were filed, and $2.2 million related to changes in undistributed foreign earnings primarily in Türkiye, offset by $2.1 million related to insurance recovery, $2.0 million related to tax law changes in the U.S. and Germany, and $2.2 million of other net discrete tax expenses. For the three months ended September 28, 2024, the effective tax rate was driven primarily by net discrete tax benefits of $7.8 million, of which $6.5 million related to changes in the realizability of certain deferred tax assets, primarily related to U.S. foreign tax credit carryforwards, and $3.2 million related to the loss on deconsolidation of Russian subsidiary, offset by $1.9 million of other net discrete tax expenses.

For the nine months ended September 27, 2025, we had an income tax expense of $48.1 million on pre-tax income of $268.8 million, which resulted in an effective tax rate of 17.9%, compared to an income tax expense of $60.8 million on pre-tax income of $240.1 million, which resulted in an effective tax rate of 25.3%, for the nine months ended September 28, 2024.

For the nine months ended September 27, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $20.6 million, of which $10.5 million related to uncertain tax benefits primarily due to audit settlements, $9.2 million related to excess tax benefits on stock option exercises, $8.2 million related to prior year adjustments primarily from the U.S. and various foreign jurisdictions in which returns were filed, and $2.3 million related to changes in undistributed foreign earnings, offset by $5.8 million related to changes in the realizability of certain deferred tax assets, $2.1 million related to insurance recovery, and $1.7 million related to tax law changes primarily in the U.S., Germany and Italy. For the nine months ended September 28, 2024, we had net discrete tax benefits of $8.3 million, of which $13.8 million related to unrecognized tax benefits due to audit closures and $3.2 million related to a loss on deconsolidation of Russian subsidiary, offset by $3.4 million of uncertain tax benefit interest accrual, $4.2 million of net discrete expense related to changes in the realizability of certain deferred tax assets and $1.1 million of other net discrete tax expenses.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. Beginning in 2025, OBBBA reinstates an immediate deduction for domestic research and development expenses, makes permanent 100% bonus depreciation on domestic fixed assets, and modifies the business interest limitation calculation to exclude the impact of foreign earnings and domestic depreciation and amortization costs. Beginning in 2026, OBBBA also makes extensive reforms to the U.S. international tax regime. Based on current expectations in 2025, the impacts of the OBBBA are reflected in our results for the quarter ended September 27, 2025 and $3.2 million income tax expense related to OBBBA will be recognized during the year through the effective tax rate. We will continue to evaluate the full impact of OBBBA as additional guidance becomes available.

Deferred Tax Assets and Liabilities

We recognize deferred tax assets and liabilities for future tax consequences arising from differences between the carrying amounts of existing assets and liabilities under U.S. GAAP and their respective tax bases, and for net operating loss carryforwards and tax credit carryforwards. We evaluate the recoverability of our deferred tax assets, weighing all positive and negative evidence, and are required to establish or maintain a valuation allowance for these assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized.

As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to the future realization of deferred tax assets. We will maintain our positions with regard to future realization of deferred tax assets, including those with respect to which we continue maintaining valuation allowances, until there is sufficient new evidence to support a change in expectations. Such a change in expectations could arise due to many factors, including those impacting our forecasts of future earnings, as well as changes in the international tax laws under which we operate and tax planning. It is not reasonably possible to forecast any such changes at the present time, but it is possible that, should they arise, our view of their effect on the future realization of deferred tax assets may materially impact our financial statements.

6. Earnings per share

Basic earnings per share represents net income attributable to shareholders divided by the weighted average number of shares outstanding during the period. Diluted earnings per share considers the dilutive effect of potential shares, unless the inclusion of the potential shares would have an anti-dilutive effect. The treasury stock method is used to determine the potential dilutive shares resulting from assumed exercises of equity-related instruments.

The computation of earnings per share is presented below:

	Three months ended		Nine months ended	
(dollars in millions, except share numbers and per share amounts)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income attributable to shareholders	$ 81.6	$ 47.6	$ 200.1	$ 158.3
Weighted average number of shares outstanding	257,905,020	258,889,598	256,968,631	261,001,362
Dilutive effect of share-based awards	3,650,235	4,551,974	4,115,546	4,853,706
Diluted weighted average number of shares outstanding	**261,555,255**	**263,441,572**	**261,084,177**	**265,855,068**
Number of anti-dilutive shares excluded from the diluted earnings per share calculation	56,878	5,410,122	1,241,225	2,785,491
Basic earnings per share	$ 0.32	$ 0.18	$ 0.78	$ 0.61
Diluted earnings per share	$ 0.31	$ 0.18	$ 0.77	$ 0.60

7. Inventories

(dollars in millions)	As of September 27, 2025	As of December 28, 2024
Raw materials and supplies	$ 197.7	$ 194.3
Work in progress	43.2	43.1
Finished goods	477.2	438.6
Total inventories	**$ 718.1**	**$ 676.0**

8. Goodwill

(dollars in millions)	Power Transmission	Fluid Power	Total
Cost and carrying amount			
As of December 28, 2024	$ 1,257.5	$ 651.4	**$ 1,908.9**
Foreign currency translation	76.9	34.0	**110.9**
As of September 27, 2025	**$ 1,334.4**	**$ 685.4**	**$ 2,019.8**

9. Intangible assets

	As of September 27, 2025			As of December 28, 2024		
(dollars in millions)	Cost	Accumulated amortization and impairment	Net	Cost	Accumulated amortization and impairment	Net
Finite-lived:						
—Customer relationships	$ 1,995.2	$ (1,330.7)	**$ 664.5**	$ 1,921.5	$ (1,194.7)	**$ 726.8**
—Technology	90.8	(90.8)	—	90.5	(90.5)	—
—Capitalized software	169.2	(96.1)	**73.1**	138.2	(85.8)	**52.4**
	2,255.2	**(1,517.6)**	**737.6**	**2,150.2**	**(1,371.0)**	**779.2**
Indefinite-lived:						
—Brands and trade names	513.4	(44.0)	**469.4**	513.4	(44.0)	**469.4**
Total intangible assets	**$ 2,768.6**	**$ (1,561.6)**	**$ 1,207.0**	**$ 2,663.6**	**$ (1,415.0)**	**$ 1,248.6**

During the three months ended September 27, 2025, the amortization expense recognized in respect of intangible assets was $32.6 million, compared to $32.0 million for the three months ended September 28, 2024. In addition, movements in foreign currency exchange rates resulted in a decrease in the net carrying value of total intangible assets of $0.7 million for the three months ended September 27, 2025, compared to an increase of $11.4 million for the three months ended September 28, 2024.

During the nine months ended September 27, 2025, the amortization expense recognized in respect of intangible assets was $96.1 million, compared to $96.7 million for the nine months ended September 28, 2024. In addition, movements in foreign currency exchange rates resulted in an increase in the net carrying value of total intangible assets of $29.1 million for the nine months ended September 27, 2025, compared to a decrease of $8.2 million for the nine months ended September 28, 2024.

10. Derivative financial instruments

We are exposed to certain financial risks relating to our ongoing business operations. From time to time, we use derivative financial instruments, principally foreign currency swaps, forward foreign currency contracts, interest rate caps (options) and interest rate swaps, to reduce our exposure to foreign currency risk and interest rate risk. We do not hold or issue derivatives for speculative purposes and monitor closely the credit quality of the institutions with which we transact.

We recognize derivative instruments as either assets or liabilities in the condensed consolidated balance sheets. We designate certain of our currency swaps as net investment hedges and designate our interest rate swaps as cash flow hedges. The gain or loss on the designated derivative instrument is recognized in other comprehensive income ("OCI") and reclassified into net income in the same period or periods during which the hedged transaction affects earnings.

Derivative instruments that have not been designated in an effective hedging relationship are considered economic hedges, and their change in fair value is recognized in net income in each period.

The period end fair values of derivative financial instruments were as follows:

(dollars in millions)	As of September 27, 2025 Gross Notional Amount	Prepaid expenses and other assets	Other non-current assets	Accrued expenses and other current liabilities	Other non-current liabilities	Net
Derivatives instruments designated as net investment hedges:						
—Currency swaps and currency forward contract	$ 1,890.0	$ 13.7	$ 8.0	$ —	$ (174.3)	**$ (152.6)**
Derivatives instruments designated as cash flow hedges:						
—Interest rate swaps	$ 1,085.0	1.5	0.6	(1.4)	(6.7)	**(6.0)**
—Currency forward contracts	$ 126.5	$ 0.8	$ —	$ (2.7)	$ —	**$ (1.9)**
Derivatives not designated as hedging instruments:						
—Currency forward contracts	$ 0.1	—	—	—	—	—
		$ 16.0	**$ 8.6**	**$ (4.1)**	**$ (181.0)**	**$ (160.5)**

(dollars in millions)	As of December 28, 2024 Gross Notional Amount	Prepaid expenses and other assets	Other non-current assets	Accrued expenses and other current liabilities	Other non-current liabilities	Net
Derivatives instruments designated as net investment hedges:						
—Currency swaps	$ 1,320.0	$ 16.3	$ 1.3	$ —	$ (37.0)	**$ (19.4)**
Derivatives instruments designated as cash flow hedges:						
—Interest rate swaps	$ 1,255.0	13.4	0.2	(6.2)	(0.3)	**7.1**
—Currency forward contracts	$ —	$ —	$ —	$ —	$ —	**$ —**
Derivatives not designated as hedging instruments:						
—Currency forward contracts	$ 147.5	2.1	—	(0.4)	—	**1.7**
		$ 31.8	**$ 1.5**	**$ (6.6)**	**$ (37.3)**	**$ (10.6)**

A. Instruments designated as net investment hedges

We hold cross currency swaps that have been designated as net investment hedges of certain of our foreign subsidiaries. During the second quarter of 2025, we expanded our net investment hedge activity by entering into cross currency swaps and foreign exchange forward contracts with a gross notional value at inception of $820.0 million and terms between three to five years, designated in hedges of portions of our net investment in Canadian, Chinese, and Japanese subsidiaries.

The fair value (losses) gains before tax recognized in OCI in relation to the instruments designated as net investment hedging instruments were as follows:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net fair value gains (losses) recognized in OCI in relation to:				
—Designated cross currency swaps & currency forwards	$ 20.5	$ (50.1)	$ (132.4)	$ (24.2)
Total net fair value gains (losses)	**$ 20.5**	**$ (50.1)**	**$ (132.4)**	**$ (24.2)**

During the three and nine months ended September 27, 2025, a net gain of $6.5 million and $17.0 million related to the amount excluded from the hedging relationship, respectively, was recognized in interest expense in relation to our cross currency swaps and foreign exchange forward contracts that have been designated as net investment hedges, compared to a net gain of $5.7 million and $10.0 million, respectively, during the three and nine months ended September 28, 2024.

B. Instruments designated as cash flow hedges

We use interest rate swaps as part of our interest rate risk management strategy to add stability to interest expense and to manage our exposure to interest rate movements. These instruments are all designated as cash flow hedges. In April 2025, we entered into an agreement to execute two additional pay-fixed, receive floating interest rate swaps to hedge the cash flow risk on a portion of our floating-rate debt, effective starting June 30, 2025 upon expiration of the previous interest rate swaps. The notional amount of these interest rate swaps are $470.0 million and $230.0 million with five-year terms.

During the second quarter of 2025, we hedged portions of our forecasted sales and purchases which occur within the next twelve months that are denominated in non-functional currencies, with currency forward contracts designated as cash flow hedges. These currency forward contracts are primarily used in respect of hedging our operational currency exposures in Europe to exchange currencies, principally between Euro and U.S. Dollar, Pound Sterling, Polish Zloty, and Czech Koruna.

The movements before tax recognized in OCI in relation to our cash flow hedges were as follows:

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Movement recognized in OCI in relation to:				
—Fair value gain on cash flow hedges	$ (2.1)	$ (17.0)	$ (9.1)	$ 0.4
—Deferred OCI reclassified to net income	—	(9.0)	(13.6)	(27.0)
Total movement	**$ (2.1)**	**$ (26.0)**	**$ (22.7)**	**$ (26.6)**

C. Derivative instruments not designated as hedging instruments

Prior to second quarter of 2025, we did not designate our currency forward contracts that are primarily used in respect of hedging our operational currency exposures in Europe as discussed above. As of September 27, 2025, the notional amount of outstanding currency forward contracts that are not designated as hedging instruments was $0.1 million related to other foreign currencies, compared to $147.5 million as of December 28, 2024. The fair value (losses) gains recognized in net income in relation to derivative instruments that have not been designated as hedging instruments were as follows:

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Fair value gains recognized in relation to:				
—Currency forward contracts recognized in other expense (income)	$ 0.1	$ 0.2	$ 1.2	$ 3.4
Total	**$ 0.1**	**$ 0.2**	**$ 1.2**	**$ 3.4**

11. Fair value measurement

A. Fair value hierarchy

We account for certain assets and liabilities at fair value. Topic 820 "*Fair Value Measurements and Disclosures*" establishes the following hierarchy for the inputs that are used in fair value measurement:

- "Level 1" inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- "Level 2" inputs are those other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- "Level 3" inputs are not based on observable market data (unobservable inputs).

Assets and liabilities that are measured at fair value are categorized in one of the three levels on the basis of the lowest-level input that is significant to its valuation.

B. Financial instruments not held at fair value

Certain financial assets and liabilities are not measured at fair value; however, items such as cash and cash equivalents, restricted cash, drawings under revolving credit facilities and bank overdrafts generally attract interest at floating rates and accordingly their carrying amounts are considered to approximate fair value. Due to their short maturities, the carrying amounts of accounts receivable and accounts payable are also considered to approximate their fair values.

The carrying amount and fair value of our debt are set out below:

	As of September 27, 2025		As of December 28, 2024	
(dollars in millions)	Carrying amount	Fair value	Carrying amount	Fair value
Current	$ 30.5	$ 30.4	$ 39.1	$ 38.7
Non-current	2,204.3	2,234.4	2,311.5	2,314.3
	$ 2,234.8	**$ 2,264.8**	**$ 2,350.6**	**$ 2,353.0**

Debt is comprised principally of borrowings under the secured credit facility and the unsecured senior notes. The dollar term loans under the secured credit facilities pay interest at floating rates, subject to a 0.50% Term SOFR floor as further described in Note 12. The fair values of the term loans are derived from a market price, discounted for illiquidity. The unsecured senior notes have fixed interest rates, are traded by “Qualified Institutional Buyers” and certain other eligible investors, and their fair value is derived from their quoted market price.

C. Assets and liabilities measured at fair value on a recurring basis

The following table categorizes the assets and liabilities that are measured at fair value on a recurring basis:

(dollars in millions)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Total
As of September 27, 2025			
Derivative assets	$ —	$ 24.6	**$ 24.6**
Derivative liabilities	$ —	$ (185.1)	**$ (185.1)**
Cash equivalents	$ —	$ 24.0	**$ 24.0**
As of December 28, 2024			
Derivative assets	$ —	$ 33.3	**$ 33.3**
Derivative liabilities	$ —	$ (43.9)	**$ (43.9)**
Cash equivalents	$ 41.5	$ 30.8	**$ 72.3**

Derivative assets and liabilities included in Level 2 represent foreign currency exchange forward and swap contracts, and interest rate derivative contracts. Cash equivalents included in Level 1 represent treasury bills and money market funds, while Level 2 represent certificates of deposit and commercial paper.

We value our foreign currency exchange derivatives using models consistent with those used by a market participant that maximize the use of market observable inputs including forward prices for currencies.

We value our interest rate derivative contracts using a widely accepted discounted cash flow valuation methodology that reflects the contractual terms of each derivative, including the period to maturity. The methodology derives the fair values of the derivatives using the market standard methodology of netting the discounted future cash payments and the discounted expected receipts. The inputs used in the calculation are based on observable market-based inputs, including interest rate curves, implied volatilities and credit spreads.

We incorporate credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, to appropriately reflect both our own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements.

Transfers between levels of the fair value hierarchy

During the periods presented, there were no transfers between Levels 1 and 2, and Gates had no assets or liabilities measured at fair value on a recurring basis using Level 3 inputs.

D. Assets measured at fair value on a non-recurring basis

Gates has non-recurring fair value measurements related to certain assets, including goodwill, intangible assets, and property, plant, and equipment. During the three and nine months ended September 27, 2025, we recognized an asset impairment of $0.4 million and $1.2 million, respectively, related to restructuring actions. No significant impairment was recognized during the three and nine months ended September 28, 2024. During April 2024, Gates made a $5.0 million equity investment in a privately held company. Gates does not have the ability to exercise significant influence over the investee and the investment does not have a readily determinable fair value. We elected to recognize the investment at its cost in accordance with ASC 321 "*Investments – Equity Securities"* and will adjust the fair value of the investment if we identify any observable price changes in orderly transactions.

12. Debt

(dollars in millions)	As of September 27, 2025	As of December 28, 2024
Secured debt:		
—2024 Dollar Term Loans due June 4, 2031	$ 1,290.2	$ 1,300.0
—2022 Dollar Term Loans due November 16, 2029	459.2	563.5
Unsecured debt:		
—6.875% Dollar Senior Notes due July 1, 2029	500.0	500.0
Total principal of debt	**2,249.4**	**2,363.5**
Deferred issuance costs	(26.4)	(33.2)
Accrued interest	11.8	20.3
Total carrying value of debt	**2,234.8**	**2,350.6**
Debt, current portion	30.5	39.1
Debt, less current portion	**$ 2,204.3**	**$ 2,311.5**
Weighted average interest rate	6.25 %	6.44 %

Gates' secured debt is jointly and severally, irrevocably and fully and unconditionally guaranteed by certain of its subsidiaries and is secured by liens on substantially all of their assets.

Gates is subject to covenants, representations and warranties under certain of its debt facilities. During the periods covered by these condensed consolidated financial statements, we were in compliance with the applicable financial covenants. Also under the agreements governing our debt facilities, our ability to engage in activities such as incurring certain additional indebtedness, making certain investments and paying certain dividends is dependent, in part, on our ability to satisfy tests based on measures determined under those agreements.

Debt issuances and redemptions

On June 4, 2024, we entered into an amendment to our credit agreement governing our term loans and our secured revolving credit facility. As part of this amendment, we upsized the revolving credit commitments and issued a new tranche of $1,300.0 million of dollar-denominated term loans (the "2024 Dollar Term Loans"). The proceeds of the 2024 Dollar Term Loans were used to extinguish the entire outstanding principal balance of dollar-denominated term loans of $1,232.6 million, which was issued on February 24, 2021 (the "2021 Dollar Term Loans"), plus $1.1 million of accrued interest and to redeem a portion of the Dollar Senior Notes due 2026 (as defined below). We issued the 2024 Dollar Term Loans with no discount and incurred third-party costs totaling approximately $9.5 million, which have been deferred and will be amortized to interest expense over the remaining term of the related borrowings using the effective interest method. The repayment of our 2021 Dollar Term Loans resulted in the accelerated recognition of $11.2 million of deferred issuance costs (recognized in interest expense).

Under the credit agreement amendment, we also repriced our dollar-denominated term loans drawn on November 16, 2022 (the "2022 Dollar Term Loans"), reducing the interest rate spread by 75 basis points from Term SOFR plus 3.00% to Term SOFR plus 2.25%. Third party costs of $0.9 million incurred with the 2022 Dollar Term Loans repricing were recognized in interest expense.

Additionally, as part of the June 2024 amendment to our credit agreement, we increased borrowing capacity under our revolving credit facility from $250.0 million to $500.0 million and extended the maturity from November 18, 2026 to the date that is the earliest of (x) June 4, 2029 and (y) April 1, 2029, if greater than $500.0 million in aggregate principal amount of the Dollar Senior Notes due 2029 (as defined below) are outstanding. We incurred associated third-party costs of approximately $2.5 million, which have been deferred and will be amortized to interest expense over the remaining term of the revolving credit facility. Concurrently with this amendment, we terminated the $250.0 million asset-backed revolving credit facility governed by the second amended and restated credit agreement dated as of July 3, 2014 (as amended and restated). The termination of our asset-backed revolving credit facility resulted in the accelerated recognition of $1.0 million of deferred issuance costs (recognized in interest expense).

On June 4, 2024, we also issued new unsecured senior notes of $500.0 million (the "Dollar Senior Notes due 2029"), and fully redeemed our existing unsecured senior notes due 2026 of $568.0 million aggregate principal amount (the "Dollar Senior Notes due 2026"), which included the payment of $13.7 million of accrued interest thereon. We issued the Dollar Senior Notes due 2029 with no discount and incurred third party costs of approximately $7.6 million, which have been deferred and will be amortized to interest expense over the remaining term of the Dollar Senior Notes due 2029 using the effective interest method. The redemption of our Dollar Senior Notes due 2026 resulted in the accelerated recognition of $2.6 million of deferred issuance costs (recognized in interest expense).

During July 2025, we made a voluntary principal debt repayment of $100 million against our 2022 Dollar Term Loans. As a result of this repayment, we accelerated the recognition of $2.8 million of deferred issuance costs (recognized in interest expense).

Dollar Term Loans

Our outstanding secured credit facilities consist of two loans, which include the 2024 Dollar Term Loans and the 2022 Dollar Term Loans described above. These term loan facilities bear interest at a floating rate, at our option, at either a base rate as defined in the credit agreement plus an applicable margin, or Term SOFR plus an applicable margin.

On December 10, 2024, we amended our credit agreement to lower the margin with respect to the 2022 Dollar Term Loans and 2024 Dollar Term Loans by 50 basis points compared to the previous term. The 2022 Dollar Term Loans and 2024 Dollar Term Loans bear interest, at our option, at either Term SOFR (subject to a floor of 0.50%) plus a margin of 1.75% per annum, or the base rate (subject to a floor of 1.50%) plus 0.75% per annum.

As of September 27, 2025, the 2024 Dollar Term Loans' interest rate was Term SOFR, subject to a floor of 0.50%, plus a margin of 1.75%, and borrowings under this facility bore interest at a rate of 6.07% per annum. The interest rate is currently re-set on the last business day of each month based on the election of one month interest periods. The 2024 Dollar Term Loans mature on June 4, 2031.

As of September 27, 2025, the 2022 Dollar Term Loans' interest rate was Term SOFR, subject to a floor of 0.50%, plus a margin of 1.75%, and borrowings under this facility bore interest at a rate of 6.07% per annum. The interest rate is currently re-set on the last business day of each month based on the election of one month interest periods. The 2022 Dollar Term Loans mature on November 16, 2029.

The 2024 Dollar Term Loans and 2022 Dollar Term Loans are subject to quarterly amortization payments of 0.25%, based on the original principal amount less certain repayments with the balance payable on maturity. During the nine months ended September 27, 2025, we made amortization payments against the 2024 Dollar Term Loans and the 2022 Dollar Term Loans of $9.8 million, and $4.3 million, respectively.

Under the terms of the credit agreement, we are obliged to offer annually to the term loan lenders an "excess cash flow" amount as defined under the agreement, based on the preceding year's final results. Based on our 2024 results, the leverage ratio as defined under the credit agreement was below the threshold above which payments are required, and therefore no excess cash flow payment is required to be made in 2025.

Gates Corporation, a wholly-owned U.S. subsidiary of Gates Industrial Holdco Limited (the parent guarantor and direct subsidiary of Gates Industrial Corporation plc), is the principal obligor under the term loans for U.S. federal income tax purposes and makes the payments due on the term loans. As a result, interest received by lenders of this tranche of debt is U.S. source income.

Unsecured Senior Notes

As of September 27, 2025, we had $500.0 million of Dollar Senior Notes due 2029 outstanding that were issued on June 4, 2024. The Dollar Senior Notes due 2029 are scheduled to mature on July 1, 2029 and bear interest at an annual fixed rate of 6.875% with semi-annual interest payments.

Prior to July 1, 2026, we may redeem the Dollar Senior Notes due 2029, at our option, in whole at any time or in part from time to time, at a “make-whole” redemption price. In addition, on or subsequent to July 1, 2026, we may redeem the Dollar Senior Notes due 2029, at our option, in whole at any time or in part from time to time, at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest to the redemption date:

	Redemption price
On or subsequent to:	
—July 1, 2026	103.438 %
—July 1, 2027	101.719 %
—July 1, 2028 and thereafter	100.000 %

Additionally, net cash proceeds from an equity offering can be utilized at any time prior to July 1, 2026, to redeem up to 40% of the Dollar Senior Notes due 2029 at a redemption price equal to 106.875% of the principal amount thereof, plus accrued and unpaid interest through to the redemption date.

Upon the occurrence of specified types of change of control or of certain qualifying asset sales, the holders of the Dollar Senior Notes due 2029 will have the right to require us to make an offer to repurchase each holder's notes at a price equal to 101% (in the case of a change of control offer) or 100% (in the case of an asset sale offer) of their principal amount, plus accrued and unpaid interest.

As noted above, on June 4, 2024, we redeemed all $568.0 million in aggregate principal amount of our Dollar Senior Notes due 2026 using primarily the proceeds from the issuance of the Dollar Senior Notes due 2029.

Revolving credit facility

We have a secured revolving credit facility that provides for multi-currency revolving loans. On June 4, 2024, we amended the credit agreement governing this facility to increase the size of the facility from $250.0 million to $500.0 million, and extended the maturity date from November 18, 2026 to the date that is the earliest of (x) June 4, 2029 and (y) April 1, 2029, if greater than $500.0 million in aggregate principal amount of the Dollar Senior Notes due 2029 are outstanding. This facility also includes a letter of credit sub-facility of $150.0 million. Debt under the revolving credit facility bears interest at a floating rate, at our option, at either a base rate as defined in the credit agreement plus an applicable margin or the reference rate plus an applicable margin.

On January 21, 2025, we amended our credit agreement to lower the margin with respect to the revolving loans by 50 basis points compared to the previous term. The revolving loans bear interest at our option either Term SOFR (subject to a floor of —%) plus a margin of 1.75% per annum or the base rate plus 0.75% per annum. The applicable margin for the revolving credit facility borrowings will be subject to one 25 basis point step down determined in accordance with Gates Industrial Holdco Limited achieving a certain consolidated first lien net leverage level.

As of both September 27, 2025 and December 28, 2024, there were no drawings for cash under the revolving credit facility.

The letters of credit outstanding under this facility were $29.7 million and $28.2 million as of September 27, 2025 and December 28, 2024, respectively. In addition, Gates had other outstanding performance bonds, letters of credit and bank guarantees amounting to $12.5 million as of September 27, 2025, compared to $12.3 million as of December 28, 2024.

13. Post-retirement benefits

Gates provides defined benefit pension plans in certain of the countries in which it operates, in particular, in the U.S. and U.K. All of the defined benefit pension plans are closed to new entrants. In addition to the funded defined benefit pension plans, Gates has unfunded defined benefit obligations to certain current and former employees.

Gates also provides other post-retirement benefits, principally health and life insurance coverage, on an unfunded basis to certain of its employees in the U.S. and Canada.

Net periodic benefit cost (income)

The components of the net periodic benefit cost (income) for pensions and other post-retirement benefits were as follows:

	Three months ended September 27, 2025			Three months ended September 28, 2024		
(dollars in millions)	Pensions	Other post-retirement benefits	Total	Pensions	Other post-retirement benefits	Total
Reported in operating income:						
—Employer service cost	$ 1.0	$ —	**$ 1.0**	$ 1.0	$ —	**$ 1.0**
Reported outside of operating income:						
—Interest cost	6.3	0.3	**6.6**	6.0	0.4	**6.4**
—Expected return on plan assets	(6.0)	—	**(6.0)**	(6.5)	—	**(6.5)**
—Net amortization of prior period losses (gains)	0.6	(0.8)	**(0.2)**	0.2	(0.8)	**(0.6)**
—Settlements and curtailments	—	—	—	0.1	—	**0.1**
Net periodic benefit cost (income)	**$ 1.9**	**$ (0.5)**	**$ 1.4**	**$ 0.8**	**$ (0.4)**	**$ 0.4**
Cash Contributions	$ 9.7	$ 0.7	**$ 10.4**	$ 2.2	$ 0.7	**$ 2.9**

	Nine months ended September 27, 2025			Nine months ended September 28, 2024		
(dollars in millions)	Pensions	Other post-retirement benefits	Total	Pensions	Other post-retirement benefits	Total
Reported in operating income:						
—Employer service cost	$ 3.0	$ —	**$ 3.0**	$ 3.0	$ —	**$ 3.0**
Reported outside of operating income:						
—Interest cost	18.8	0.9	**19.7**	18.2	1.0	**19.2**
—Expected return on plan assets	(17.7)	—	**(17.7)**	(19.4)	—	**(19.4)**
—Net amortization of prior period losses (gains)	1.6	(2.3)	**(0.7)**	0.6	(2.4)	**(1.8)**
—Settlements and curtailments	—	—	**—**	0.1	—	**0.1**
Net periodic benefit cost (income)	**$ 5.7**	**$ (1.4)**	**$ 4.3**	**$ 2.5**	**$ (1.4)**	**$ 1.1**
Cash Contributions	$ 15.4	$ 2.3	**$ 17.7**	$ 5.4	$ 2.4	**$ 7.8**

The components of the above net periodic benefit cost (income) for pensions and other post-retirement benefits that are reported outside of operating income are all included in the other income line in the condensed consolidated statement of operations.

For 2025 as a whole, we expect to contribute approximately $19.1 million to our defined benefit pension plans and approximately $2.8 million to our other post-retirement benefit plans.

14. Share-based compensation

The Company operates a share-based incentive plan over its shares to provide incentives to Gates’ senior executives and other eligible employees. During the three and nine months ended September 27, 2025, we recognized a charge of $6.7 million and $22.4 million, respectively, compared to $6.4 million and $20.2 million, respectively, in the three and nine months ended September 28, 2024.

Awards issued under the 2014 Gates Industrial Corporation plc Stock Incentive Plan (the “2014 Plan”)

Gates has a number of share-based incentive awards issued under the 2014 Plan, which was assumed by the Company and renamed the Gates Industrial Corporation plc Stock Incentive Plan in connection with our initial public offering in January 2018 (our “IPO”). No new awards have been granted under this plan since 2017. The options granted prior to our IPO were split equally into four tiers, each with specific vesting conditions. Tier I, Tier II and IV options all vested, while the performance conditions associated with Tier III were not achieved and therefore expired during 2022. All the options expire ten years after the date of grant.

Due to Chinese regulatory restrictions on foreign stock ownership, awards granted under this plan to Chinese employees have been issued as stock appreciation rights ("SARs"). The terms of these SARs are identical to those of the options described above with the exception that no share is issued on exercise; instead, cash equivalent to the increase in the value of the shares from the date of grant to the date of exercise is paid to the employee. These awards are therefore treated as liability awards under Topic 718 "*Compensation - Stock Compensation*" and are revalued to their fair value at each period end. The SARs have the same vesting terms as the Tier II, III and IV option awards described above. All Tier III SARs expired during 2022 as the specific performance conditions were not achieved.

Changes in the awards granted under this plan are summarized in the tables below.

Awards issued under the Gates Industrial Corporation plc 2018 Omnibus Incentive Plan (the "2018 Plan")

In conjunction with the initial public offering in January 2018, Gates adopted the 2018 Plan, which is a market-based long-term incentive program that allows for the issue of a variety of equity-based and cash-based awards, including stock options, SARs and restricted stock units ("RSUs").

The SARs issued under this plan take the form of options, except that no share is issued on exercise; instead, cash equivalent to the increase in the value of the shares from the date of grant to the date of exercise is paid to the employee. These awards are therefore treated as liability awards under Topic 718 "*Compensation - Stock Compensation*" and are revalued to their fair value at each period end. The SARs and the majority of the share options issued under this plan vest evenly over either three years or four years from the grant date. Certain premium-priced options vested evenly over a three-year period, starting two years from the grant date. All options vest subject to the participant's continued employment by Gates on the vesting date and expire ten years after the date of grant.

The RSUs issued under the plan consist of time-vesting RSUs and performance-based RSUs ("PRSUs"). The time-vesting RSUs vest evenly over either one or three years from the date of grant, subject to the participant's continued provision of service to Gates on the vesting date. The outstanding PRSUs provide that 75% of the award will generally vest if Gates achieves a certain level of average annual adjusted return on invested capital as defined in the plan ("Adjusted ROIC") and the remaining 25% of the PRSUs will generally vest if Gates achieves certain relative total shareholder return ("Relative TSR") goals, in each case, measured over a three-year performance period and subject to the participant's continued employment through the end of the performance period. The total number of PRSUs that vest at the end of the performance period will range from 0% to 200% of the target based on actual performance against a pre-established scale.

New awards and movements in existing awards granted under this plan are summarized in the tables below.

Summary of movements in options outstanding

	Plan	Nine months ended September 27, 2025 Number of options		Weighted average exercise price $
Outstanding at the beginning of the period:				
—Tier I	*2014 Plan*	1,557,018	$	6.95
—Tier II	*2014 Plan*	1,722,639	$	7.00
—Tier IV	*2014 Plan*	1,660,742	$	10.48
—SARs	*Both plans*	603,393	$	10.79
—Share options	*2018 Plan*	1,480,065	$	14.56
—Premium-priced options	*2018 Plan*	835,469	$	18.88
		7,859,326	**$**	**10.70**
Granted during the period:				
—SARs	*2018 Plan*	29,100	$	21.64
		29,100	**$**	**21.64**
Forfeited during the period:				
—SARs	*2018 Plan*	(2,834)	$	17.61
		(2,834)	**$**	**17.61**
Exercised during the period:				
—Tier I	*2014 Plan*	(1,295,753)	$	6.77
—Tier II	*2014 Plan*	(1,363,643)	$	6.78
—Tier IV	*2014 Plan*	(1,385,779)	$	10.16
—SARs	*Both Plans*	(417,515)	$	9.11
—Share options	*2018 Plan*	(202,434)	$	14.67
		(4,665,124)	**$**	**8.33**
Outstanding at the end of the period:				
—Tier I	*2014 Plan*	261,265	$	7.84
—Tier II	*2014 Plan*	358,996	$	7.84
—Tier IV	*2014 Plan*	274,963	$	12.09
—SARs	*Both plans*	212,144	$	15.49
—Share options	*2018 Plan*	1,277,631	$	14.54
—Premium-priced options	*2018 Plan*	835,469	$	18.88
		3,220,468	**$**	**14.23**
Exercisable at the end of the period		3,155,277	$	14.16
Vested and expected to vest at the end of the period		3,220,468	$	14.22

As of September 27, 2025, the aggregate intrinsic value of options that were exercisable was $33.9 million, and these options had a weighted average remaining contractual term of 3.3 years. As of September 27, 2025, the aggregate intrinsic value of options that were vested or expected to vest was $34.4 million, and these options had a weighted average remaining contractual term of 3.4 years.

As of September 27, 2025, the unrecognized compensation charge relating to the nonvested options was $0.3 million, which is expected to be recognized over a weighted-average period of 1.6 years.

During the three and nine months ended September 27, 2025, cash of $5.1 million and $9.8 million was received in relation to the exercise of vested options, respectively, compared to $2.9 million and $10.0 million during the three and nine months ended September 28, 2024, respectively. The aggregate intrinsic value of options exercised during the three and nine months ended September 27, 2025 was $7.6 million and $25.8 million, respectively, compared to $0.7 million and $3.4 million during the three and nine months ended September 28, 2024, respectively.

Summary of movements in RSUs and PRSUs outstanding

	Nine months ended September 27, 2025		
	Number of awards		Weighted average grant date fair value $
Outstanding at the beginning of the period:			
—RSUs	2,570,852	$	14.45
—PRSUs	1,028,146	$	17.03
	3,598,998	**$**	**15.19**
Granted during the period:			
—RSUs	865,518	$	21.60
—PRSUs	279,404	$	23.55
	1,144,922	**$**	**22.08**
Adjusted for performance during the period:			
—PRSUs	60,274	$	17.23
	60,274	**$**	**17.23**
Forfeited during the period:			
—RSUs	(213,968)	$	16.46
—PRSUs	(34,726)	$	16.10
	(248,694)	**$**	**16.41**
Vested during the period:			
—RSUs	(1,413,972)	$	14.03
—PRSUs	(347,337)		17.17
	(1,761,309)	**$**	**14.65**
Outstanding at the end of the period:			
—RSUs	1,808,430	$	17.96
—PRSUs	985,761	$	18.87
	2,794,191	**$**	**18.28**

As of September 27, 2025, the unrecognized compensation charge relating to unvested RSUs and PRSUs was $27.1 million, which is expected to be recognized over a weighted average period of 1.5 years, subject, where relevant, to the achievement of the performance conditions described above. The total fair value of RSUs and PRSUs vested during the three and nine months ended September 27, 2025 was $5.1 million and $25.8 million, respectively, compared to $5.8 million and $21.1 million during the three and nine months ended September 28, 2024, respectively.

Valuation of awards granted during the period

The grant date fair value of the SARs are measured using a Black-Scholes valuation model. RSUs are valued at the share price on the date of grant. The Relative TSR component of the PRSUs were valued using Monte Carlo simulations. As Gates only has volatility data for its shares for the period since its IPO, this volatility has, where necessary, been weighted with the debt-levered volatility of a peer group of public companies in order to determine the expected volatility over the expected option life. The expected option life represents the period of time for which the options are expected to be outstanding and is based on consideration of the contractual life of the option, option vesting period, and historical exercise patterns. The weighted average fair values and relevant assumptions were as follows:

	Nine months ended	
	September 27, 2025	September 28, 2024
Weighted average grant date fair value:		
—SARs	$ 9.96	$ 6.95
—RSUs	$ 21.60	$ 14.91
—PRSUs	$ 23.55	$ 16.37
Inputs to the model:		
—Expected volatility — SARs	41.1 %	41.7 %
—Expected volatility — PRSUs	31.6 %	31.6 %
—Expected option life for SARs (years)	6.0	6.0
—Risk-free interest rate:		
SARs	4.1 %	4.2 %
PRSUs	4.0 %	4.4 %

15. Equity

Movements in the Company's number of shares in issue for the nine months ended September 27, 2025 and September 28, 2024, respectively, were as follows:

	Nine months ended	
(number of shares)	September 27, 2025	September 28, 2024
Balance as of the beginning of the period	255,203,987	264,259,788
Exercise of share options	2,373,541	915,120
Vesting of restricted stock units, net of withholding taxes	1,344,506	1,215,382
Shares repurchased and cancelled	(672,911)	(11,690,303)
Balance as of the end of the period	**258,249,123**	**254,699,987**

In February 2024, the Company's Board approved a share repurchase program for up to $100.0 million in authorized share repurchases, with an expiration date of October 6, 2024. In February 2024, the Company repurchased 4,151,100 ordinary shares through Citigroup Global Markets Inc. ("Citi") from selling shareholders affiliated with Blackstone Inc. ("Blackstone") at a price of $12.045 per ordinary share for an aggregate consideration of approximately $50.0 million (the "February 2024 Repurchase"), plus costs paid directly related to the transaction of $0.3 million. This repurchase was funded by cash on hand. All shares repurchased pursuant to the February 2024 Repurchase were cancelled.

In July 2024, the Company's Board cancelled the then existing share repurchase program and approved a new share repurchase program, providing for up to $250.0 million in share repurchases, with an expiration date of December 31, 2025. In August 2024, the Company repurchased 7,539,203 ordinary shares through Citi from selling shareholders affiliated with Blackstone at a price of $16.58 per ordinary share for an aggregate consideration of approximately $125.0 million (the "August 2024 Repurchase"), plus costs paid directly related to the transaction of $0.8 million. This repurchase was funded by cash on hand and a borrowing of $40.0 million under Gates' secured revolving credit facility. All shares repurchased pursuant to the August 2024 Repurchase were cancelled.

In March 2025, the Company repurchased 672,911 shares under the existing share repurchase program in the open market at a total cost of approximately $12.9 million, plus costs paid directly related to the transaction of $0.1 million. All shares repurchased were cancelled and approximately $112.1 million remained available under the share repurchase program as of September 27, 2025.

In October 2025, the Company's Board cancelled the then existing share repurchase program and approved a new share repurchase program, providing for up to $300.0 million in share repurchases, which expires on December 31, 2026.

16. Analysis of accumulated other comprehensive (loss) income

Changes in accumulated other comprehensive (loss) income by component, net of tax, were as follows:

(dollars in millions)	Post- retirement benefits	Cumulative translation adjustment	Cash flow hedges	Accumulated OCI attributable to shareholders	Non-controlling interests	Accumulated OCI
As of December 28, 2024	$ (23.2)	$ (1,056.8)	$ 2.8	**$ (1,077.2)**	$ (97.5)	**$ (1,174.7)**
Foreign currency translation	(3.4)	171.2		**167.8**	13.8	**181.6**
Cash flow hedges movements	—	—	(18.4)	**(18.4)**	1.2	**(17.2)**
Post-retirement benefit movements	(0.5)	—	—	**(0.5)**	—	**(0.5)**
Other comprehensive (loss) income	**(3.9)**	**171.2**	**(18.4)**	**148.9**	**15.0**	**163.9**
As of September 27, 2025	**$ (27.1)**	**$ (885.6)**	**$ (15.6)**	**$ (928.3)**	**$ (82.5)**	**$ (1,010.8)**

(dollars in millions)	Post- retirement benefits	Cumulative translation adjustment	Cash flow hedges	Accumulated OCI attributable to shareholders	Non-controlling interests	Accumulated OCI
As of December 30, 2023	$ (15.3)	$ (832.3)	$ 19.1	**$ (828.5)**	$ (78.4)	**$ (906.9)**
Foreign currency translation	(2.9)	(89.3)	—	**(92.2)**	4.9	**(87.3)**
Cash flow hedges movements	—	—	(19.9)	**(19.9)**	—	**(19.9)**
Post-retirement benefit movements	(1.4)	—	—	**(1.4)**	—	**(1.4)**
Other comprehensive (loss) income	**(4.3)**	**(89.3)**	**(19.9)**	**(113.5)**	**4.9**	**(108.6)**
As of September 28, 2024	**$ (19.6)**	**$ (921.6)**	**$ (0.8)**	**$ (942.0)**	**$ (73.5)**	**$ (1,015.5)**

17. Related party transactions

A. Equity method investees

Purchases from equity method investees were as follows:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Purchases	$ (4.0)	$ (4.0)	$ (11.5)	$ (11.9)

Amounts outstanding in respect of these transactions were payables of $0.2 million as of September 27, 2025, compared to $0.1 million as of December 28, 2024. No dividends were received from our equity method investees during the periods presented.

B. Non-Gates entities controlled by non-controlling shareholders

Sales to and purchases from non-Gates entities controlled by non-controlling shareholders were as follows:

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Sales	$ 10.8	$ 10.9	$ 32.3	$ 30.3
Purchases	$ (3.7)	$ (4.0)	$ (11.6)	$ (11.2)

Amounts outstanding in respect of these transactions were as follows:

(dollars in millions)	As of September 27, 2025	As of December 28, 2024
Receivables	$ 4.0	$ 3.7
Payables	$ (3.2)	$ (2.8)

18. Commitments and contingencies

A. Contingencies

Gates is, from time to time, party to general legal proceedings and claims, which arise in the ordinary course of business. Gates is also, from time to time, party to legal proceedings and claims in respect of environmental obligations, product liability, intellectual property, commercial and contractual disputes, employment matters and other matters which arise in the ordinary course of business and against which management believes Gates has meritorious defenses available. When appropriate, management consults with legal counsel and other appropriate experts to assess claims. If, in management's opinion, we have incurred a probable loss as set forth by U.S. GAAP, an estimate is made of the loss and the appropriate accrual is reflected in our consolidated financial statements. Currently, there are no material amounts accrued.

While it is not possible to quantify the financial impact or predict the outcome of all pending claims and litigation, management does not anticipate that the outcome of any current proceedings or known claims, either individually or in aggregate, will materially affect Gates' financial position, results of operations or cash flows.

B. Warranties

The following summarizes the movements in the warranty liability for the nine months ended September 27, 2025 and September 28, 2024, respectively:

(dollars in millions)	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Balance as of the beginning of the period	$ 16.4	$ 15.9
Charge for the period	7.3	7.1
Payments made	(6.2)	(5.7)
Released during the period	(1.4)	(0.2)
Foreign currency translation	0.3	0.1
Balance as of the end of the period	**$ 16.4**	**$ 17.2**

Item 2: Management’s Discussion and Analysis
of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and related notes thereto included elsewhere in this quarterly report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management’s expectations. Factors that could cause such differences are discussed in “Cautionary Note Regarding Forward-Looking Statements” above and Part I, Item 1A. “Risk Factors” in our annual report.

Our Company

We are a global manufacturer of innovative, highly engineered power transmission and fluid power solutions. We offer a broad portfolio of products to diverse replacement channel customers, and to original equipment manufacturers (“OEM”) as specified components, with the majority of our revenue coming from replacement channels. Our products are used in applications across numerous end markets, including: automotive replacement, automotive OEM, diversified industrial, industrial off-highway, industrial on-highway, energy and resources and personal mobility. Our net sales have historically been, and remain, highly correlated with industrial activity and utilization, and not with any single end market given the diversification of our business and high exposure to replacement markets. We sell our products globally under the Gates brand, which is recognized by distributors, equipment manufacturers, installers and end users as a premium brand for quality and technological innovation; this reputation has been built over more than 110 years since Gates’ founding in 1911.

Within the diverse end markets we serve, our highly engineered products are often critical components in applications for which the cost of downtime is high relative to the cost of our products, resulting in the willingness of end users to pay a premium for superior performance and availability. These applications subject our products to normal wear and tear, resulting in natural, and often preventative, replacement cycles that drive high-margin, recurring revenue. Our product portfolio represents one of the broadest ranges of power transmission and fluid power products in the markets we serve, and we maintain long-standing relationships with a diversified group of well-known customers throughout the world. As a leading designer, manufacturer and marketer of highly engineered, mission-critical products, we have become an industry leader across most of our end markets and the regions in which we operate.

Business Trends

The diversification of our business limits our exposure to trends in any given end market. In addition, a majority of our sales are generated from customers in replacement channels, who serve primarily a large base of installed equipment that follows a natural maintenance cycle that is somewhat less susceptible to various trends that affect our end markets. Such trends include infrastructure investment and construction activity, agricultural production and related commodity prices, commercial and passenger vehicle production, miles driven and fleet age, evolving regulatory requirements related to emissions and fuel economy and oil and gas prices and production. Key indicators of our performance include industrial production, industrial sales and manufacturer shipments.

During the nine months ended September 27, 2025, sales into replacement channels accounted for approximately 68% of our total net sales. Our replacement sales cover a very broad range of applications and industries and, accordingly, are highly correlated with industrial activity and utilization and not a single end market. Replacement products are principally sold through distribution partners that may carry a very broad line of products or may specialize in products associated with a smaller set of end market applications.

During the nine months ended September 27, 2025, sales into first-fit channels accounted for approximately 32% of our total net sales. First-fit sales are to a variety of industrial and automotive customers. Our industrial first-fit customers cover a diverse range of industries and applications and many of our largest first-fit customers manufacture construction and agricultural equipment.

During the nine months ended September 27, 2025, sales in the personal mobility end market continued to experience strong growth, and our replacement channel sales grew modestly, including positive core growth in the industrial replacement channel. We continue to focus on managing our business through current economic uncertainties, improving our gross margins through our efforts of material cost savings, footprint optimization and productivity. In the first half of 2026, we expect certain one-time footprint optimization, restructuring, and system implementation costs. We anticipate these and other investments and product development in personal mobility and data center opportunities will position us to drive long term growth and margin expansion.

Our global operating footprint and worldwide sales reach expose us to risks associated with trade conflicts between the U.S. and its trading partners. Escalating global trade conflicts due to recent U.S. and retaliatory tariffs and geopolitical tensions have led to, and may continue to lead to, inflationary pressures, uncertainty, and volatility in the market and, therefore, could impact our operations, supply chain and financial performance. While we have not experienced significant disruptions to our supply chain, we have begun to experience some slower than expected demand recovery, cost increases and may incur additional costs, primarily for our businesses in North America. The global tariff regime continues to evolve and we could have additional exposures in the future. We are taking actions to mitigate the impact of tariffs through price increases and adjustments to our supply chain and operations, and intend to continue to offset any incremental tariff impacts for the remainder of the year. Whether these strategies or other effects of the tariffs will further impact customer behaviors, including future demand for our products, remains uncertain. We will continue to monitor and evaluate risks related to the tariffs and any resulting impact on macroeconomic conditions and our business.

Global conflicts, such as the conflict between Russia and Ukraine, and sanctions and counter-sanctions imposed in response, created increased economic uncertainty and operational complexity both in Europe, Middle East and Africa (“EMEA”) and globally, the impacts of which we cannot fully predict.

Results for the three and nine months ended September 27, 2025 compared to the results for the three and nine months ended September 28, 2024

Summary Gates Performance

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net sales	$ 855.7	$ 830.7	$ 2,587.0	$ 2,578.8
Cost of sales	514.1	494.9	1,540.6	1,555.6
Gross profit	**341.6**	**335.8**	**1,046.4**	**1,023.2**
Selling, general and administrative expenses	219.2	217.2	666.6	653.5
Transaction-related expenses	0.1	0.5	0.5	2.1
Asset impairments	0.4	—	1.2	—
Restructuring expenses	6.5	2.2	21.1	5.0
Other operating expenses	—	—	—	0.1
Operating income from continuing operations	**115.4**	**115.9**	**357.0**	**362.5**
Interest expense	34.9	35.1	93.3	121.7
Loss on deconsolidation of Russian subsidiary	—	12.8	—	12.8
Other income	(14.3)	(1.2)	(5.1)	(12.1)
Income from continuing operations before taxes	**94.8**	**69.2**	**268.8**	**240.1**
Income tax expense	6.1	14.0	48.1	60.8
Net income from continuing operations	**$ 88.7**	**$ 55.2**	**$ 220.7**	**$ 179.3**
Adjusted EBITDA[(1)]	$ 195.8	$ 182.5	$ 582.3	$ 580.3
Adjusted EBITDA margin	22.9 %	22.0 %	22.5 %	22.5 %

(1) See “—Non-GAAP Measures” for a reconciliation of Adjusted EBITDA to net income, the closest comparable GAAP measure, for each of the periods presented.

Net sales

Net sales during the three months ended September 27, 2025 were $855.7 million, compared to $830.7 million during the prior year period, an increase of 3.0%, or $25.0 million. The following table lists the primary drivers behind the change in net sales (amounts in millions):

	Power Transmission	Fluid Power	Total Company
Three months ended September 28, 2024	$ 513.4	$ 317.3	$ 830.7
Currency translation	8.3	2.9	11.2
Volume	(1.0)	(8.3)	(9.3)
Pricing	12.6	10.5	23.1
Three months ended September 27, 2025	**$ 533.3**	**$ 322.4**	**$ 855.7**

Net sales during the nine months ended September 27, 2025 were $2,587.0 million, compared to $2,578.8 million during the prior year period, an increase of 0.3%, or $8.2 million. The following table lists the primary drivers behind the change in net sales (amounts in millions):

	Power Transmission	Fluid Power	Total Company
Nine months ended September 28, 2024	$ 1,588.1	$ 990.7	$ 2,578.8
Currency translation	(3.4)	(8.3)	(11.7)
Volume	2.9	(25.4)	(22.5)
Pricing	23.0	19.4	42.4
Nine months ended September 27, 2025	**$ 1,610.6**	**$ 976.4**	**$ 2,587.0**

Cost of sales

Cost of sales for the three months ended September 27, 2025 was $514.1 million, compared to $494.9 million for the prior year period, an increase of 3.9%, or $19.2 million. The following table lists the primary drivers behind the change in cost of sales (amounts in millions):

Three months ended September 28, 2024	$ 494.9
Currency translation	7.1
Volume	(3.3)
Manufacturing performance	13.8
Mix	(2.0)
Other	3.6
Three months ended September 27, 2025	**$ 514.1**

Cost of sales for the nine months ended September 27, 2025 was $1,540.6 million, compared to $1,555.6 million for the prior year period, a decrease of 1.0%, or $15.0 million. The following table lists the primary drivers behind the change in cost of sales (amounts in millions):

Nine months ended September 28, 2024	$ 1,555.6
Currency translation	(9.8)
Volume	(5.9)
Manufacturing performance	22.9
Mix	(9.2)
Inventory impairments and adjustments	(16.2)
Other	3.2
Nine months ended September 27, 2025	**$ 1,540.6**

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses for the three months ended September 27, 2025 were $219.2 million compared to $217.2 million for the prior year period. This increase of $2.0 million was driven primarily by higher restructuring-related severance expense of $2.3 million and higher labor and benefits expense of $2.0 million, partially offset by lower warranty expense of $1.8 million and lower outbound freight costs of $1.5 million.

SG&A expenses for the nine months ended September 27, 2025 were $666.6 million compared to $653.5 million for the prior year period. This increase of $13.1 million was primarily attributable to the $7.3 million of higher corporate-owned life insurance related expenses and $7.2 million gain from disposal of property, plant and equipment that occurred during the prior year partially offset by lower labor and benefits expense of $2.0 million.

Transaction-related expenses

Transaction-related expenses of $0.1 million and $0.5 million were incurred during the three and nine months ended September 27, 2025, respectively. Transaction expenses for the three months September 27, 2025 were primarily related to certain corporate transactions. Transaction expenses for the nine months ended September 27, 2025 were primarily related to certain non-recurring debt related costs and certain other corporate transactions. Transaction-related expenses of $0.5 million and $2.1 million were incurred during the prior year three and nine months ended September 28, 2024, respectively. Transaction expenses for the three months ended September 28, 2024 were primarily related to the secondary offering completed during August 2024. Transaction expenses for the nine months ended September 28, 2024 were primarily related to the debt refinancing that occurred in June 2024, the secondary offerings completed in both February and August 2024, and certain other corporate transactions.

Restructuring expenses

Restructuring expenses during the three and nine months ended September 27, 2025 included $0.3 million and $12.9 million, respectively, of severance and related benefits expense related to a global cost reduction effort. In addition, during the three and nine months ended September 27, 2025, we incurred restructuring expenses of $4.7 million related to a manufacturing reduction in force in the Americas. Other restructuring expenses incurred during the three and nine months ended September 27, 2025 were related to professional service fees, severance and related benefit costs for the relocation of production activities to Mexico. Other restructuring-related expenses incurred during the three and nine months ended September 27, 2025 were primarily costs related to general severance and related benefits, and professional service fees.

Restructuring and other restructuring-related expenses during the three and nine months ended September 28, 2024 included $1.0 million and $2.5 million, respectively, of costs related to the relocation of certain production activities in Mexico. During the three months ended September 28, 2024, we also incurred severance costs of $1.0 million related to the consolidation of production activities across certain North American plants. Other restructuring costs incurred during the three and nine months ended September 28, 2024 included legal and consulting expenses, and costs associated with prior period facility closures or relocations in several countries.

Interest expense

Our interest expense was as follows:

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Debt:				
Dollar Term Loans	$ 19.2	$ 21.9	$ 51.5	$ 69.4
Dollar Senior Notes	8.5	8.5	25.7	26.1
	27.7	**30.4**	**77.2**	**95.5**
Amortization of deferred issuance costs	4.2	1.7	7.4	21.8
Other interest expense	3.0	3.0	8.7	4.4
	$ 34.9	**$ 35.1**	**$ 93.3**	**$ 121.7**

Details of our long-term debt are presented in Note 12 to the condensed consolidated financial statements included elsewhere in this report. Interest expense decreased by $0.2 million and $28.4 million during the three and nine months ended September 27, 2025, respectively, when compared to the equivalent prior year period, primarily due to the $14.8 million accelerated amortization of deferred issuance costs related to the debt refinancing that occurred in June 2024, partially offset by the unfavorable impact of derivatives. Additionally, interest on debt decreased by $2.7 million and $18.3 million during the three and nine months ended September 27, 2025, respectively, when compared to the equivalent prior year period, primarily due to lower interest rates as a result of the refinancing activities executed in 2024.

Other income

Our other income was as follows:

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Nine months ended September 27, 2025	Nine months ended September 28, 2024
Interest income on bank deposits	$ (2.1)	$ (2.8)	$ (6.9)	$ (11.2)
Foreign currency transaction loss (gain), net	0.1	2.7	2.2	(3.6)
Net adjustments related to post-retirement benefits	0.4	(0.6)	1.3	(1.9)
Foreign currency loss on hyperinflation remeasurement	0.9	1.4	2.9	6.0
Insurance recoveries	(10.0)	—	(10.0)	—
Other	(3.6)	(1.9)	5.4	(1.4)
	$ (14.3)	**$ (1.2)**	**$ (5.1)**	**$ (12.1)**

Other income for the three months ended September 27, 2025 was $14.3 million compared to income of $1.2 million, for the three months ended September 28, 2024. The change was primarily driven by insurance recoveries received in September 2025 as well as a decrease in foreign currency transaction losses.

Other income for the nine months ended September 27, 2025 was $5.1 million compared to income of $12.1 million, for the nine months ended September 28, 2024. The decrease in income was primarily driven by foreign currency transaction and financing- related losses in addition to lower interest income on bank deposits. This was partially offset by insurance recoveries received in September 2025.

Income tax expense

We compute the year-to-date income tax provision by applying our estimated annual effective tax rate to our year-to-date pre-tax income and adjust for discrete tax items in the period in which they occur.

For the three months ended September 27, 2025, we had an income tax expense of $6.1 million on pre-tax income of $94.8 million, which resulted in an effective tax rate of 6.4%, compared to an income tax expense of $14.0 million on pre-tax income of $69.2 million, which resulted in an effective tax rate of 20.2%, for the three months ended September 28, 2024.

For the three months ended September 27, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $13.5 million, of which $12.6 million related to uncertain tax benefits primarily due to audit settlements, $5.0 million primarily related to prior year adjustments in the U.S. and Luxembourg in which returns were filed, and $2.2 million related to changes in undistributed foreign earnings primarily in Türkiye, offset by $2.1 million related to insurance recovery, $2.0 million related to tax law changes in the U.S. and Germany, and $2.2 million of other net discrete tax expenses. For the three months ended September 28, 2024, the effective tax rate was driven primarily by discrete tax benefits of $7.8 million, of which $6.5 million related to the changes in the realizability of certain deferred tax assets, primarily related to U.S. foreign tax credit carryforwards, $3.2 million related to the loss on the deconsolidation of Russian subsidiary, offset by $1.9 million of other net discrete tax expenses.

For the nine months ended September 27, 2025, we had an income tax expense of $48.1 million on pre-tax income of $268.8 million, which resulted in an effective tax rate of 17.9%, compared to an income tax expense of $60.8 million on pre-tax income of $240.1 million, which resulted in an effective tax rate of 25.3%, for the nine months ended September 28, 2024.

For the nine months ended September 27, 2025, the effective tax rate was driven primarily by net discrete tax benefits of $20.6 million, of which $10.5 million related to uncertain tax benefits primarily due to audit settlements, $9.2 million related to excess tax benefits on stock option exercises, $8.2 million related to prior year adjustments primarily from the U.S. and various foreign jurisdictions in which returns were filed, and $2.3 million related to changes in undistributed foreign earnings, offset by $5.8 million related to changes in the realizability of certain deferred tax assets, $2.1 million related to insurance recovery, and $1.7 million related to tax law changes primarily in the U.S., Germany and Italy. For the nine months ended September 28, 2024, the net impact of discrete items was nominal, and the effective tax rate was driven primarily by jurisdictional mix of earnings.

Numerous foreign jurisdictions, including the U.K., have enacted or are in the process of enacting legislation to adopt a minimum effective tax rate described in the Global Anti-Base Erosion, or Pillar Two, model rules issued by the Organization for Economic Co-operation and Development, or OECD. Under such rules, a minimum effective tax rate of 15% would apply to multinational companies with consolidated revenue above €750 million. Under the Pillar Two rules, a company would be required to determine a combined effective tax rate for all entities located in a jurisdiction. If the jurisdictional effective tax rate determined under the Pillar Two rules is less than 15%, a top-up tax will be due to bring the jurisdictional effective tax rate up to 15%. We are continuing to monitor the pending implementation of Pillar Two by individual countries and the potential effects of Pillar Two on our business. We do not expect the provisions effective in 2025 to have a materially adverse impact on our results of operations, financial position or cash flows.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. Beginning in 2025, OBBBA reinstates an immediate deduction for domestic research and development expenses, makes permanent 100% bonus depreciation on domestic fixed assets, and modifies the business interest limitation calculation to exclude the impact of foreign earnings and domestic depreciation and amortization costs. Beginning in 2026, OBBBA also makes extensive reforms to the U.S. international tax regime. Based on current expectations in 2025, the impacts of the OBBBA are reflected in our results for the quarter ended September 27, 2025 and $3.2 million income tax expense related to OBBBA will be recognized during the year through the effective tax rate. We will continue to evaluate the full impact of OBBBA as additional guidance becomes available.

Deferred Tax Assets and Liabilities

We recognize deferred tax assets and liabilities for future tax consequences arising from differences between the carrying amounts of existing assets and liabilities under U.S. GAAP and their respective tax bases, and for net operating loss carryforwards and tax credit carryforwards. We evaluate the recoverability of our deferred tax assets, weighing all positive and negative evidence, and are required to establish or maintain a valuation allowance for these assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized.

As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to the future realization of deferred tax assets. We will maintain our positions with regard to future realization of deferred tax assets, including those with respect to which we continue maintaining valuation allowances, until there is sufficient new evidence to support a change in expectations. Such a change in expectations could arise due to many factors, including those impacting our forecasts of future earnings, as well as changes in the international tax laws under which we operate and tax planning. It is not reasonably possible to forecast any such changes at the present time, but it is possible that, should they arise, our view of their effect on the future realization of deferred tax assets may materially impact our financial statements.

Analysis by Operating Segment

Power Transmission (62.3% and 62.3%, respectively, of Gates' net sales for the three and nine months ended September 27, 2025)

(dollars in millions)	Three months ended September 27, 2025	Three months ended September 28, 2024	Period over period change
Net sales	$ 533.3	$ 513.4	3.9%
Adjusted EBITDA	$ 122.1	$ 113.0	8.1%
Adjusted EBITDA margin	22.9 %	22.0 %	

(dollars in millions)	Nine months ended September 27, 2025	Nine months ended September 28, 2024	Period over period change
Net sales	$ 1,610.6	$ 1,588.1	1.4%
Adjusted EBITDA	$ 361.6	$ 355.8	1.6%
Adjusted EBITDA margin	22.5 %	22.4 %	

Net sales in Power Transmission for the three months ended September 27, 2025 increased by 3.9%, or $19.9 million, compared to the prior year period, driven primarily by benefits from pricing of $12.6 million, partially offset by lower volumes. Our net sales for the three months ended September 27, 2025 were favorably impacted by movements in average currency exchange rates of $8.3 million. As such, core sales increased by 2.3%, or $11.6 million, compared to the prior year period.

Net sales in Power Transmission for the nine months ended September 27, 2025 increased by 1.4%, or $22.5 million, compared to the prior year period, driven primarily by benefits from pricing of $23.0 million, and an increase in volume. Our net sales for the nine months ended September 27, 2025 were adversely impacted by movements in average currency exchange rates of $3.4 million. As such, core sales increased by 1.6%, or $25.9 million, compared to the prior year period.

Power Transmission's core sales to industrial customers increased by 4.7% and 4.1% during the three and nine months ended September 27, 2025, respectively, compared to the prior year periods. Industrial OEM sales increased by 8.4% and 9.6%, respectively, during the three and nine months ended September 27, 2025 compared to the prior year periods, particularly in EMEA. The growth in industrial sales were across multiple end markets, led by personal mobility, which grew 22.1% and 27.2% during the three and nine months ended September 27, 2025, respectively, primarily focused in EMEA. The automotive channel remained relatively flat for the three and nine months ended September 27, 2025, with automotive replacement growth partially offset by decreasing demands from automotive OEM.

Power Transmission Adjusted EBITDA for the three months ended September 27, 2025 increased by 8.1%, or $9.1 million, compared to the prior year period, driven primarily by benefits from pricing and favorable impacts in average currency exchange rates, partially offset by lower absorption of fixed costs. As a result, Adjusted EBITDA margin was 22.9%, a 90 basis point improvement from the prior year period.

Power Transmission Adjusted EBITDA for the nine months ended September 27, 2025 increased by 1.6%, or $5.8 million, compared to the prior year period. This increase was driven primarily by benefits from pricing, partially offset by lower absorption of fixed costs and higher SG&A expenses. As a result, Adjusted EBITDA margin was 22.5%, a 10 basis point improvement compared to the prior year period.

Fluid Power (37.7% and 37.7%, respectively, of Gates' net sales for the three and nine months ended September 27, 2025)

(dollars in millions)	Three months ended		
	September 27, 2025	September 28, 2024	Period over period change
Net sales	$ 322.4	$ 317.3	1.6%
Adjusted EBITDA	$ 73.7	$ 69.5	6.0%
Adjusted EBITDA margin	22.9 %	21.9 %	

(dollars in millions)	Nine months ended		
	September 27, 2025	September 28, 2024	Period over period change
Net sales	$ 976.4	$ 990.7	(1.4%)
Adjusted EBITDA	$ 220.7	$ 224.5	(1.7%)
Adjusted EBITDA margin	22.6 %	22.7 %	

Net sales in Fluid Power for the three months ended September 27, 2025 increased by 1.6%, or $5.1 million, compared to the prior year period, driven primarily by benefits from pricing of $10.5 million, partially offset by lower volumes. Our net sales were favorably impacted by movements in average currency exchange rates of $2.9 million. As such, core sales increased by 0.7%, or $2.2 million, compared to the prior year period.

Net sales in Fluid Power for the nine months ended September 27, 2025 decreased by 1.4%, or $14.3 million, compared to the prior year period, driven primarily by a decrease in volume, partially offset by a $19.4 million benefit from pricing. Our net sales were adversely impacted by movements in average currency exchange rates of $8.3 million. As such, core sales decreased by 0.6%, or $6.0 million, compared to the prior year period.

Fluid Power's core sales to our automotive channel increased by 10.5%, while sales in our industrial channel declined by 2.8% during the three months ended September 27, 2025. Fluid Power's core sales growth in the automotive channel was focused in North America, which experienced a 9.0% increase during the three months ended September 27, 2025. The decline in the industrial channel was primarily attributed to North America, partially offset by growth from East Asia and India. During the nine months ended September 27, 2025, the decline of Fluid Power's core sales of 0.6% was primarily attributable to a 3.7% decrease in the industrial channel sales compared to the prior year period, primarily driven by the on-highway end market. The decline in industrial sales was partially offset by an 8.5% increase in sales to our automotive customers for the nine months ended September 27, 2025, primarily from North America and EMEA, whose sales increased by 6.2% and 16.3%, respectively.

Fluid Power Adjusted EBITDA for the three months ended September 27, 2025 increased by 6.0%, or $4.2 million, compared to the prior year period, driven primarily by benefits from pricing and lower SG&A expense, partially offset by lower absorption of fixed costs. As a result, the Adjusted EBITDA margin was 22.9%, a 100 basis point improvement from the prior year period.

Fluid Power Adjusted EBITDA for the nine months ended September 27, 2025 decreased by 1.7%, or $3.8 million, compared to the prior year period. This decrease was driven primarily by a combination of lower absorption of fixed costs and volumes, partially offset by pricing. As a result, the Adjusted EBITDA margin was 22.6%, a 10 basis points decline compared to the prior year period.

Liquidity and Capital Resources

Treasury Responsibilities and Philosophy

Our primary liquidity and capital resource needs are for working capital, debt service requirements, capital expenditures, share repurchases, facility expansions and acquisitions. We expect to finance our future cash requirements with cash on hand, cash flows from operations and, where necessary, borrowings under our secured revolving credit facility. We have historically relied on our cash flow from operations and various debt and equity financings for liquidity.

From time to time, we enter into currency derivative contracts to manage currency transaction exposures. Similarly, from time to time, we may enter into interest rate derivatives to maintain the desired mix of floating and fixed rate debt.

As market conditions warrant, we may from time to time seek to repurchase securities that we have issued or loans that we have borrowed in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any such purchases of ordinary shares or other securities or loans may be funded by existing cash or by incurring new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases of debt securities or loans may relate to a substantial amount of a particular tranche of debt, with a corresponding reduction, where relevant, in the trading liquidity of that debt. In addition, any such purchases of debt made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which may be material, and result in related adverse tax consequences to us.

It is our policy to retain sufficient liquidity throughout the capital expenditure cycle to maintain our financial flexibility. We do not have any meaningful debt maturities until 2029; however, we regularly evaluate market conditions, our liquidity profile, and various financing alternatives for opportunities to enhance our capital structure, and may refinance all or a portion of our indebtedness on or before maturity. We do not anticipate any material long-term deterioration in our overall liquidity position in the foreseeable future, and believe that we have adequate liquidity and capital resources for the next twelve months.

Cash Flow

Nine months ended September 27, 2025 compared to the nine months ended September 28, 2024

Cash provided by operating activities was $208.3 million during the nine months ended September 27, 2025 compared to cash provided by operating activities of $188.7 million during the prior year period, primarily driven by a $41.2 million increase in net income and an $18.8 million decrease in deferred income taxes compared to the prior year period. This was partially offset by a $40.3 million unfavorable movement in operating assets and liabilities.

Net cash used in investing activities during the nine months ended September 27, 2025 was $86.9 million, compared to $80.3 million in the prior year period. The increase of cash used in investing activities was primarily driven by a $13.8 million increase in net cash paid under company-owned life insurance policies, increased capital expenditures of $7.1 million, and $8.8 million fewer proceeds from the sale of property, plant and equipment compared to the prior year period. The increase in cash used in investing activities was partially offset by a $12.5 million cash derecognition from the deconsolidation of our Russian subsidiary and $11.3 million of investment purchases made during the prior year period.

Net cash used in financing activities was $134.9 million during the nine months ended September 27, 2025, compared to $253.5 million in the prior year period. Current year outflows were primarily related to $114.1 million of debt repayment, $20.1 million of employee taxes paid from shares withheld and $13.0 million paid to acquire shares under our share repurchase program. This was partially offset by $9.8 million from issuance of shares and $9.0 million from other financing activities.

Indebtedness

Our long-term debt, consisting principally of secured term loans and the U.S. dollar denominated unsecured senior notes, was as follows:

	Carrying amount		Principal amount	
(dollars in millions)	As of September 27, 2025	As of December 28, 2024	As of September 27, 2025	As of December 28, 2024
Secured debt:				
—2024 Dollar Term Loans due June 4, 2031	$ 1,283.3	$ 1,290.0	$ 1,290.2	$ 1,300.0
—2022 Dollar Term Loans due November 16, 2029	449.2	548.0	459.2	563.5
Unsecured debt:				
—6.875% Dollar Senior Notes due July 1, 2029	502.3	512.6	500.0	500.0
	$ 2,234.8	**$ 2,350.6**	**$ 2,249.4**	**$ 2,363.5**

We refer to the term loans denominated in U.S. dollars as the "Dollar Term Loans" and the unsecured senior notes denominated in U.S. dollars as the "Dollar Senior Notes". The Dollar Term Loans that were issued on February 24, 2021 are referred to as the "2021 Dollar Term Loans", which were extinguished on June 4, 2024. The new tranche of dollar term loans that were issued on June 4, 2024 are referred to as the "2024 Dollar Term Loans", and the Dollar Term Loans that were issued on November 16, 2022 and repriced on June 4, 2024 are referred to as the "2022 Dollar Term Loans." Details of our long-term debt are presented in Note 12 to the condensed consolidated financial statements included elsewhere in this quarterly report.

Debt issuances and redemptions

On June 4, 2024, we entered into an amendment to our credit agreement governing our term loans and our secured revolving credit facility. As part of this amendment, we upsized the revolving credit commitments and issued the 2024 Dollar Term Loans. The proceeds of the 2024 Dollar Term Loans were used to extinguish the entire outstanding principal balance of the 2021 Dollar Term Loans plus $1.1 million of accrued interest and to redeem a portion of the Dollar Senior Notes due 2026 (as defined below). We issued the 2024 Dollar Term Loans with no discount and incurred third party costs totaling approximately $9.5 million, which have been deferred and will be amortized to interest expense over the remaining term of the related borrowings using the effective interest method. The repayment of our 2021 Dollar Term Loans resulted in the accelerated recognition of $11.2 million of deferred issuance costs (recognized in interest expense).

On June 4, 2024, we also issued new Dollar Senior Notes due 2029 of $500.0 million (the "Dollar Senior Notes due 2029"), and fully redeemed our existing Dollar Senior Notes due 2026 of $568.0 million aggregate principal amount (the "Dollar Senior Notes due 2026"), which included the payment of $13.7 million of accrued interest thereon. We issued the Dollar Senior Notes due 2029 with no discount and incurred third party costs of approximately $7.6 million, which have been deferred and will be amortized to interest expense over the remaining term of the Dollar Senior Notes due 2029 using the effective interest method. The redemption of our Dollar Senior Notes due 2026 resulted in the accelerated recognition of $2.6 million of deferred issuance costs (recognized in interest expense).

Amendments to credit agreements

On January 21, 2025, we amended our credit agreement to lower the margin with respect to the Revolving Credit Loans by 50 basis points compared to the previous term. The Revolving Credit Loans bear interest at our option either Term SOFR (subject to a floor of —%) plus a margin of 1.75% per annum or the base rate plus 0.75% per annum. The applicable margin for the Revolving Credit Facility borrowings will be subject to one 25 basis point step down determined in accordance with Gates Industrial Holdco Limited achieving a certain consolidated first lien net leverage level.

On December 10, 2024, we amended our credit agreement to lower the margin with respect to the 2022 Dollar Term Loans and 2024 Dollar Term Loans by 50 basis points compared to the previous term. The 2022 Dollar Term Loans and 2024 Dollar Term Loans bear interest, at our option at, either Term SOFR (subject to a floor of 0.50%), plus a margin of 1.75% per annum, or the base rate (subject to a floor of 1.50%) plus 0.75% per annum.

On June 4, 2024, we amended the 2022 Dollar Term Loans' interest rate to be, at our option, either Term SOFR (subject to a floor of 0.50%), plus a margin of 2.25% per annum or the base rate (subject to a 1.50% per annum floor), plus 1.25% per annum.

On June 4, 2024, as part of an amendment to our credit agreement, we increased borrowing capacity under our revolving credit facility from $250.0 million to $500.0 million and extended the maturity from November 18, 2026 to the date that is the earliest of (x) June 4, 2029 and (y) April 1, 2029, if greater than $500.0 million in aggregate principal amount of the Dollar Senior Notes due 2029 are outstanding. We incurred associated third party costs of approximately $2.5 million, which have been deferred and will be amortized to interest expense over the remaining term of the revolving credit facility. Concurrently with this amendment, we terminated the $250.0 million asset-backed revolving credit facility governed by the second amended and restated credit agreement dated as of July 3, 2014 (as amended and restated).

Non-guarantor subsidiaries

The majority of the Company's U.S. subsidiaries are guarantors of the senior secured credit facilities.

For the twelve months ended September 27, 2025, before intercompany eliminations, our non-guarantor subsidiaries represented approximately 70% of our net sales and 50% of our EBITDA as defined in the financial covenants attaching to the senior secured credit facilities. As of September 27, 2025, before intercompany eliminations, our non-guarantor subsidiaries represented approximately 69% of our total assets and approximately 28% of our total liabilities.

Borrowing Headroom

On June 4, 2024, we extinguished our asset-backed revolving credit facility as discussed further in Note 12 to the condensed consolidated financial statements included elsewhere in this quarterly report. As part of an amendment to our credit agreement, we increased borrowing capacity under our secured revolving credit facility that provides for multi-currency revolving loans from $250.0 million to $500.0 million and extended the maturity from November 18, 2026 to the date that is the earliest of (x) June 4, 2029 and (y) April 1, 2029, if greater than $500.0 million in aggregate principal amount of the Dollar Senior Notes due 2029 are outstanding. As of September 27, 2025, there were letters of credit outstanding against the facility amounting to $29.7 million. As of September 27, 2025, our total committed borrowing headroom was $470.3 million, in addition to cash and cash equivalents balances of $689.4 million.

Non-GAAP Measures

Adjusted EBITDA

Management uses "Adjusted EBITDA" as its key profitability measure. Adjusted EBITDA is a non-GAAP measure that represents Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), adjusted for certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. We use Adjusted EBITDA as our measure of segment profitability to assess the performance of our businesses, and it is used for total Gates as well because we believe it is important to consider our profitability on a basis that is consistent with that of our operating segments, as well as that of certain of our peer companies. We believe that Adjusted EBITDA should, therefore, be made available to securities analysts, investors and other interested parties to assist in their assessment of the performance of our businesses.

Differences exist among our businesses and from period to period in the extent to which their respective employees receive share-based compensation or a charge for such compensation is recognized. We therefore exclude from Adjusted EBITDA the non-cash charges in relation to share-based compensation in order to assess the relative performance of our businesses.

We exclude from Adjusted EBITDA acquisition-related costs that are required to be expensed in accordance with U.S. GAAP. We also exclude costs associated with major corporate transactions because we do not believe that they relate to our performance. Other items are excluded from Adjusted EBITDA because they are individually or collectively significant items that are not considered to be representative of the underlying performance of our businesses. During the periods presented, the items excluded from EBITDA in computing Adjusted EBITDA primarily included:

- non-cash charges in relation to share-based compensation;
- inventory adjustments related to certain inventories accounted for on a LIFO basis;
- transaction-related expenses incurred in relation to major corporate transactions, including the acquisition of businesses and related integration activities, and equity and debt transactions;
- asset impairments;
- restructuring expenses, including severance and restructuring-related expenses;
- loss on deconsolidation of Russian subsidiary;
- credit gain related to a customer bankruptcy; and
- other expenses (income), excluding foreign currency transaction gain or loss and insurance recoveries.

We excluded changes in the LIFO inventory reserve recognized in cost of sales for certain inventories that are valued on a LIFO basis. During inflationary or deflationary pricing environments, LIFO adjustments can result in variability of the cost of sales recognized each period as the most recent costs are matched against current sales, while historical, typically lower, costs are retained in inventory. LIFO adjustments are determined based on published pricing indices, which often are not representative of the actual cost changes or timing of those changes as experienced by our business. Excluding the impact from the application of LIFO therefore improves the comparability of our financial performance from period to period and with the Company's peers, and more closely represents the physical flow of our inventory and how we manage the business.

Adjusted EBITDA excludes items that can have a significant effect on our profit or loss and should, therefore, be used in conjunction with, not as substitutes for, profit or loss for the period. Management compensates for these limitations by separately monitoring net income from continuing operations for the period.

The following table reconciles net income, the most directly comparable GAAP measure, to Adjusted EBITDA:

	Three months ended		Nine months ended	
(dollars in millions)	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income	$ 88.6	$ 55.1	$ 220.0	$ 178.8
Loss on disposal of discontinued operations	0.1	0.1	0.7	0.5
Income tax expense	6.1	14.0	48.1	60.8
Interest expenses	34.9	35.1	93.3	121.7
Depreciation and amortization	53.6	53.7	159.1	162.8
Loss on deconsolidation of Russian subsidiary (1)	—	12.8	—	12.8
Share-based compensation expense	6.7	6.4	22.4	20.2
Transaction-related expenses (2)	0.1	0.5	0.5	2.1
Inventory write-offs and adjustments (included in cost of sales) (3)	2.6	4.4	5.6	21.7
Restructuring expenses	6.5	2.2	21.1	5.0
Restructuring-related expenses (included in cost of sales)	2.1	0.9	4.5	0.9
Restructuring-related expenses (included in SG&A)	3.7	1.4	8.3	1.5
Asset impairments	0.4	—	1.2	—
Credit gain related to customer bankruptcy (included in SG&A)	—	(0.2)	—	(0.1)
Other income, excluding foreign currency transaction gain or loss and insurance recoveries (4)	(4.4)	(3.9)	2.7	(8.5)
Cybersecurity incident insurance recovery (5)	(5.2)	—	(5.2)	—
Other items not directly related to current operations	—	—	—	0.1
Adjusted EBITDA	**$ 195.8**	**$ 182.5**	**$ 582.3**	**$ 580.3**

(1) In July 2022, as a result of the conflict between Russia and Ukraine, Gates suspended our operations in Russia. As of September 28, 2024, we deconsolidated the Russian subsidiary upon loss of control and recognized a deconsolidation loss.

(2) Transaction-related expenses relate primarily to advisory fees and other costs recognized in respect of major corporate transactions, including the acquisition of businesses, and equity and debt transactions.

(3) Inventory write-offs and adjustments include the reversal of the adjustment to remeasure certain inventories on a LIFO basis.

(4) Other (income) expenses excludes foreign currency transaction losses and insurance recoveries of $9.9 million and $7.8 million during the three and nine months ended September 27, 2025, respectively, and foreign currency transaction loss of $2.7 million and $3.6 million gain during the three and nine months ended September 28, 2024, respectively.

(5) In July 2025, we received insurance recoveries related to a previously disclosed cybersecurity incident that occurred in February 2023 for which we previously excluded $5.2 million of expenses from Adjusted EBITDA.

Core sales growth reconciliations

Core sales is a non-GAAP measure that represents net sales for the period excluding the impacts of movements in average currency exchange rates and the first-year impacts of acquisitions and disposals, when applicable. Core sales growth is the change in core sales expressed as a percentage of prior period net sales. We present core sales growth because it allows for a meaningful comparison of year-over-year performance without the volatility caused by foreign currency gains or losses or the incomparability that would be caused by impacts of acquisitions or disposals. Management believes that this measure is therefore useful for securities analysts, investors and other interested parties to assist in their assessment of the operating performance of our businesses. The closest GAAP measure is net sales.

	Three months ended September 27, 2025		
(dollars in millions)	Power Transmission	Fluid Power	Total
Net sales for the three months ended September 27, 2025	$ 533.3	$ 322.4	**$ 855.7**
Impact on net sales of movements in currency rates	(8.3)	(2.9)	**(11.2)**
Core sales for the three months ended September 27, 2025	**$ 525.0**	**$ 319.5**	**$ 844.5**
Net sales for the three months ended September 28, 2024	$ 513.4	$ 317.3	**$ 830.7**
Increase in net sales	19.9	5.1	**25.0**
Increase in net sales on a core basis (core sales)	11.6	2.2	**13.8**
Net sales growth	3.9%	1.6%	**3.0%**
Core sales growth	2.3%	0.7%	**1.7%**

	Nine months ended September 27, 2025		
(dollars in millions)	Power Transmission	Fluid Power	Total
Net sales for the nine months ended September 27, 2025	$ 1,610.6	$ 976.4	**$ 2,587.0**
Impact on net sales of movements in currency rates	3.4	8.3	**11.7**
Core sales for the nine months ended September 27, 2025	**$ 1,614.0**	**$ 984.7**	**$ 2,598.7**
Net sales for the nine months ended September 28, 2024	$ 1,588.1	$ 990.7	**$ 2,578.8**
Increase (decrease) in net sales	22.5	(14.3)	**8.2**
Increase (decrease) in net sales on a core basis (core sales)	25.9	(6.0)	**19.9**
Net sales growth (decline)	1.4%	(1.4%)	**0.3%**
Core sales growth (decline)	1.6%	(0.6%)	**0.8%**

Adjusted EBITDA adjustments for ratio calculation purposes

The financial maintenance ratio in our credit agreement and other ratios related to incurrence-based covenants (measured only upon the taking of certain actions, including the incurrence of additional indebtedness) under our credit agreement governing our revolving credit facility and our term loan facility and the indenture governing our outstanding notes are calculated in part based on financial measures similar to Adjusted EBITDA as presented elsewhere in this report, which financial measures are determined at the Gates Industrial Holdco Limited level and adjust for certain additional items such as severance costs, the pro forma impacts of acquisitions and the pro forma impacts of cost-saving initiatives. These additional adjustments during the twelve months ended September 27, 2025, as calculated pursuant to such agreements, resulted in a net benefit to Adjusted EBITDA for ratio calculation purposes of $9.2 million. Pursuant to the terms of the credit agreement governing our revolving credit facility and term loans, the Company may not, subject to certain exceptions, permit its Consolidated First Lien Net Leverage Ratio (as defined in the credit agreement) to exceed 4.50 to 1.00 as of the end of the test period if borrowings under the revolving credit facility exceed a certain threshold. Pursuant to the credit agreement, this ratio is defined as Consolidated First Lien Net Debt (as defined in the credit agreement) divided by Consolidated EBITDA (as defined in the credit agreement). For a description of the other material terms related to our debt agreements, please refer to Note 12 to the condensed consolidated financial statements included elsewhere in this report, and for a discussion of risks related to the compliance or non-compliance with the covenants described herein on the Company's financial condition and liquidity, please refer to the factors described in Item 1A. "Risk Factors—Risks Related to Our Indebtedness" in Part I of the annual report. During the periods covered by the condensed consolidated financial statements included in this report, we were in compliance with the financial covenant and had no borrowing on the revolving credit facility.

Gates Industrial Corporation plc is not an obligor under our revolving credit facility, our term loan facility or the indenture governing our outstanding notes. Gates Industrial Holdco Limited, a direct wholly-owned subsidiary of Gates Industrial Corporation plc, is the parent guarantor under our revolving credit facility, our term loan facility, and our outstanding notes. The only significant differences between the results of operations and net assets that would be shown in the consolidated financial statements of Gates Industrial Holdco Limited and those for the Company that are included elsewhere in this report are (i) an additional net intercompany loan receivable due to Gates Industrial Holdco and its subsidiaries from the Company, which was $218.7 million and $258.4 million as of September 27, 2025 and December 28, 2024, respectively, (ii) an additional intercompany payable of $12.0 million as of September 27, 2025 and an intercompany payable of $6.6 million as of December 28, 2024, due to Gates Industrial Holdco Limited and its subsidiaries from the Company attributable to UK tax group relief, and (iii) an additional cash and cash equivalents held by the Company, which was $8.8 million and $10.6 million as of September 27, 2025 and December 28, 2024, respectively.

Critical Accounting Estimates and Judgments

Our management's discussion and analysis of financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reported period.

Please refer to "Critical Accounting Estimates and Judgments" described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2024, as filed with the SEC, from which there have been no material changes.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Our market risk includes the potential loss arising from adverse changes in foreign currency exchange rates, interest rates and commodity prices, and the credit risk of our customers and third-party depository institutions that hold our cash and short term deposits. From time to time, we use derivative financial instruments, principally foreign currency swaps, forward foreign currency contracts, interest rate caps (options), and interest rate swaps to reduce our exposure to foreign currency risk and interest rate risk. We do not hold or issue derivatives for speculative purposes and monitor closely the credit quality of the institutions with which we transact. Our objective in managing these risks is to reduce fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates and interest rate movements. For a discussion of quantitative and qualitative disclosures about market risk, please refer to our annual report from which our exposure to market risk has not materially changed.

Item 4: Controls and Procedures

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. The Company's management, with the participation of the Company's Chief Executive Officer and the Company's Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that, as of September 27, 2025, the Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1: Legal Proceedings

Information regarding legal proceedings is incorporated into this Part II, Item 1 from Note 18 of the notes to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A: Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A. "Risk Factors" in Part II of the Company's Quarterly Report on Form 10-Q for the period ended March 29, 2025, and in Item 1A "Risk Factors" in Part I of the Company's annual report, which could materially affect the Company's business, financial condition, operating results or liquidity or future results. The risks described in these filings are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect its results of operations, financial condition or liquidity. There have been no material changes to the risk factors disclosed in the reports described above.

Item 5. Other Information

Trading Arrangements

During the three months ended September 27, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Fiscal Year Change

The Company historically prepared its annual consolidated financial statements for the twelve-month period ending on the Saturday nearest December 31 with each quarter-end period consisting of 13 weeks.

On October 28, 2025, the Company's board of directors approved a change in the Company's fiscal year-end to December 31 of each year.

As a result of this change, the Company's current fiscal year will end on December 31, 2025 rather than the previous fiscal year-end of January 3, 2026. Each quarterly period thereafter will still end on a Saturday, with variations in the number of days in the first and fourth fiscal quarters to accommodate a December 31st fiscal year-end. The Company believes that changing the fiscal year-end to December 31 will increase comparability to our peers and provide consistency for future periods.

Executive Office Departure

On October 28, 2025, Gwendolyn Ann Montgomery, the Executive Vice President, Chief Human Resources Officer of the Company advised the Company that she would be leaving to pursue other opportunities, effective December 1, 2025.

Ms. Montgomery's departure constitutes a termination without "cause" for purposes of the Company's Executive Severance Plan, in which she participates.

In connection with Ms. Montgomery's departure, she and the Company entered into a Separation Agreement, effective as of October 28, 2025 (the "Separation Agreement"). Pursuant to the Separation Agreement, Ms. Montgomery will be entitled to the payments and benefits to which she would be entitled in connection with a termination without "cause" under the Company's Executive Severance Plan if she executes and does not revoke a release and waiver of claims in favor of the Company. The severance payments and benefits Ms. Montgomery may receive are described under the heading "Executive Compensation—Potential Payments upon a Termination or Change in Control" in the Company's Definitive Proxy Statement on Schedule 14A, which was filed with the Securities and Exchange Commission on April 17, 2025, except that a portion of Ms. Montgomery's severance will be paid in a lump sum and the remainder will be paid in installments. In addition, subject to Ms. Montgomery's execution and non-revocation of the release, she will be entitled to accelerated vesting of time-based restricted stock units and performance-based restricted stock units that would have vested prior to March 31, 2026, with the number of performance-based restricted stock units vesting based on actual achievement of the performance metrics applicable to the Company's 2023 performance-based restricted stock unit awards through the date of Ms. Montgomery's termination. Finally, the Company has agreed to extend the exercise period of Ms. Montgomery's vested stock options to 180 days following her date of termination.

The foregoing description of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Separation Agreement, which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2025.

Item 6: Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation of Gates Industrial Corporation plc (incorporated by reference from Exhibit 3.1 to the registrant's Amendment No. 1 to its Registration Statement on Form S-1, filed on January 8, 2018 (File No. 333-222310))
3.2	Articles of Association of Gates Industrial Corporation plc, effective October 7, 2019 (incorporated by reference from Exhibit 3.2 to the registrant's Quarterly Report on Form 10-Q, filed on November 6, 2019)
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification by the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	The following financial information from Gates Industrial Corporation's Quarterly Report on Form 10-Q for the three and nine months ended September 27, 2025, formatted in inline Extensible Business Reporting Language (iXBRL): (i) Condensed Consolidated Statements of Operations for the three and nine months ended September 27, 2025 and September 28, 2024, (ii) Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 27, 2025 and September 28, 2024, (iii) Condensed Consolidated Balance Sheets as of September 27, 2025 and December 28, 2024, (iv) Condensed Consolidated Statements of Cash Flows for the nine months ended September 27, 2025 and September 28, 2024, (v) Condensed Consolidated Statements of Shareholders' Equity for the three and nine months ended September 27, 2025 and September 28, 2024, and (vi) Notes to the Condensed Consolidated Financial Statements*
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)

* Filed herewith.

** Furnished herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GATES INDUSTRIAL CORPORATION PLC
(Registrant)

By: /s/ L. Brooks Mallard

Name: L. Brooks Mallard
Title: Chief Financial Officer
(On behalf of the Registrant)

By: /s/ John S. Patouhas

Name: John S. Patouhas
Title: Chief Accounting Officer
(Principal Accounting Officer)

Date: October 29, 2025

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Ivo Jurek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 27, 2025 of Gates Industrial Corporation plc (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ Ivo Jurek

Ivo Jurek
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, L. Brooks Mallard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 27, 2025 of Gates Industrial Corporation plc (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ L. Brooks Mallard

L. Brooks Mallard
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification pursuant to

18 U.S.C. Section 1350,

as adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Gates Industrial Corporation plc (the "Company") for the period ended September 27, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, in his capacity as an officer of the Company and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ivo Jurek
Ivo Jurek
Chief Executive Officer
(Principal Executive Officer)
Date: October 29, 2025

/s/ L. Brooks Mallard
L. Brooks Mallard
Chief Financial Officer
(Principal Financial Officer)
Date: October 29, 2025

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.