

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 28, 2017

CIRCOR INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

001-14962
(Commission file number)

04-3477276
(I.R.S. Employer
Identification No.)

**30 CORPORATE DRIVE, SUITE 200
BURLINGTON, MASSACHUSETTS 01803-4238**
(Address of principal executive offices) (Zip Code)

(781) 270-1200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

By press release dated April 28, 2017 CIRCOR International, Inc. (the “Company”) announced its financial results for the three months ended April 2, 2017. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of Form 8-K and the Exhibits 99.1 & 99.2 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by special reference in such filing.

The Company’s management evaluates segment operating performance using operating income before certain charges/credits to cost of revenues and selling, general and administrative expenses, principally associated with acquisition-related activities; restructuring and other costs/income including costs arising from facility consolidations and gains and losses from the sale of product lines; and amortization of acquisition-related intangible assets. The Company also refers to this measure as segment operating income or adjusted operating income. The Company uses this measure because it helps management understand and evaluate the segments’ core operating results and facilitate comparison of performance for determining incentive compensation achievement.

In the press release and accompanying supplemental information, the Company uses the following non-GAAP financial measures: Adjusted operating income, adjusted operating margin, free cash flow, adjusted net income, adjusted earnings per share (EPS), EBITDA, adjusted EBITDA, and net debt, described as follows:

- Adjusted operating income is defined as GAAP operating income excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, the impact of restructuring related inventory, impairment and special charges or gains.
- Adjusted operating margin is defined as adjusted operating income divided by net revenues.
- Free cash flow is defined as net cash flow from operating activities, less net capital expenditures. Management of this Company believes free cash flow is an important measure of its liquidity as well as its ability to service long-term debt, fund future growth and to provide a return to shareholders. We also believe this free cash flow definition does not have any material limitations.
- Adjusted net income is defined as net income, excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, special charges/gains including the impact of restructuring related inventory charges, and impairments, net of tax.
- Adjusted EPS is defined as earnings per common share diluted, excluding the per share impact of intangible amortization from acquisitions completed subsequent to December 31, 2011, special charges/gains including the impact of restructuring related inventory charges, and impairments, net of tax.
- EBITDA is defined as net income plus net interest expense, provision for income taxes, depreciation and amortization.
- Adjusted EBITDA is defined as EBITDA plus the impact of special charges/gains including the

impact of restructuring related inventory charges, and impairments, net of tax.

- Net Debt - is defined at total debt minus cash & cash equivalents.

Our management uses these non-GAAP measures to gain an understanding of our comparative operating performance (when comparing such results with previous periods or forecasts). These non-GAAP financial measures are used by management in our financial and operating decision making because we believe they better reflect our ongoing business and allow for meaningful period-to-period comparisons. We believe these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company's current operating performance and future prospects in the same manner as management does, if they so choose. These non-GAAP financial measures also allow investors and others to compare the Company's current financial results with the Company's past financial results in a consistent manner. For example:

- We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.
- We exclude certain acquisition-related costs, including significant transaction costs and the related tax effects. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- We exclude the expense and tax effects associated with the non-cash amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of 5 to 20 years. Exclusion of the non-cash amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.
- We also exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements.

CIRCOR's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the Company's operating performance and comparing such performance to that of prior periods and to the performance of our peers and competitors. We use such measures when publicly providing our business outlook, assessing future earnings potential, evaluating potential acquisitions and dispositions and in our financial and operating decision-making process including for incentive compensation purposes.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States.

A reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure is provided in the supplemental information table titled "Reconciliation of Key Performance Measures to Commonly Used Generally Accepted Accounting Principle Terms" which is included as an attachment to the press release in Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release regarding Earnings
99.2	First Quarter 2017 Investor Review Presentation

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 hereunto duly authorized.

Date: April 28, 2017

CIRCOR INTERNATIONAL, INC.

/s/ Rajeev Bhalla

By: Rajeev Bhalla

Title: Executive Vice President and Chief Financial Officer

CIRCOR Reports First-Quarter 2017 Financial Results

Burlington, MA - April 28, 2017 - CIRCOR International, Inc. (NYSE: CIR), a leading provider of flow control solutions and other highly engineered products for markets including oil & gas, aerospace, power, process and industrial solutions, today announced financial results for the first quarter ended April 2, 2017.

First-Quarter 2017 Highlights

- *Revenue of \$145 million, GAAP EPS of \$0.29 and Adjusted EPS of \$0.32*
- *Energy orders of \$104 million, up 45%; 25% organically*
- *Advanced Flow Solutions orders of \$80 million, up 26% organically*
- *Operating Cash Flow of \$16 million and Free Cash Flow of \$13 million*

“CIRCOR delivered solid first-quarter results with revenue of \$145 million and adjusted earnings per share of \$0.32,” said [Scott Buckhout](#), President and Chief Executive Officer. “Orders in our Energy segment were up 45% due to strong demand in our Distributed Valves business and our recent acquisition of Critical Flow Solutions. In our Advanced Flow Solutions segment, we reported a 26% organic increase in orders primarily due to strength in our aerospace and defense businesses. We expect this increase in order activity to translate into strong revenue growth and margin expansion as we progress through the year.”

“During the first quarter, we generated \$16 million in cash from operations, and more than \$13 million in free cash flow,” added Buckhout. “Our strong cash flow performance is a direct result of our continuous improvement actions focused on improving working capital performance.”

“We remain optimistic about the market outlook across the majority of our end markets. Going forward, we will continue to focus on creating long-term value for shareholders by investing in growth, expanding margins, generating strong free cash flow, and being disciplined with capital deployment,” concluded Buckhout.

Second-Quarter 2017 Guidance

The Company will provide its guidance for the second quarter of 2017 during the conference call later today.

Selected Consolidated Results (unaudited)

<i>(\$ millions except EPS)</i>	Q1 2017	Q1 2016	Change
Revenue	\$ 145.2	\$ 150.8	(4)%
GAAP Operating Income	\$ 7.4	\$ 5.5	34%
Adjusted Operating Income ¹	\$ 9.1	\$ 11.3	(19)%
GAAP Operating Margin	5.1%	3.6%	150 bps
Adjusted Operating Margin ¹	6.3%	7.5%	(120) bps
GAAP Earnings Per Share (Diluted)	\$ 0.29	\$ 0.23	26%
Adjusted Earnings Per Share (Diluted) ¹	\$ 0.32	\$ 0.52	(38)%
Operating Cash Flow	\$ 16.2	\$ 7.7	112%
Free Cash Flow ²	\$ 13.4	\$ 3.7	260%
Orders	\$ 184.1	\$ 136.8	35%

Segment Results

<i>(\$ millions)</i>	Q1 2017	Q1 2016	Change
Energy			
Revenue	\$ 80.1	\$ 83.4	(4)%
Segment Operating Income	\$ 6.9	\$ 9.3	(26)%
Segment Operating Margin	8.6%	11.1%	(250) bps
Orders	\$ 103.9	\$ 71.4	45%
Advanced Flow Solutions			
Revenue	\$ 65.1	\$ 67.4	(3)%
Segment Operating Income	\$ 7.7	\$ 8.5	(9)%
Segment Operating Margin	11.8%	12.5%	(70) bps
Orders	\$ 80.2	\$ 65.4	23%

1. Consolidated and Segment Results for Q1 2017 exclude non-cash acquisition-related intangible amortization, special and restructuring charges totaling \$1.7 million (\$0.6 million, net of tax). These charges include (i) \$2.6 million charge for non-cash acquisition-related intangible amortization expense, (ii) \$1.5 million charge related to other restructuring activities, primarily the exit of manufacturing operations in China and France restructuring actions; and (iii) \$2.3 million net special gain primarily related to updating fair value estimates related to the purchase of Critical Flow Solutions, partially offset by Brazil losses incurred subsequent to our Q1 2016 closure of manufacturing operations. Consolidated and Segment Results for Q1 2016 exclude special and restructuring charges totaling \$5.8 million (\$4.8 million, net of tax). These charges include (i) \$2.8 million charge related to the closure of the Brazil manufacturing operations; (ii) \$1.9 million charge for non-cash acquisition-related intangible amortization expense; (iii) fixed asset write-down of \$1.4 million for the closure of the California machining facility; and (iv) other items for a net gain of \$0.3 million.
2. Free Cash Flow is a non-GAAP financial measure and is calculated by subtracting GAAP capital expenditures, net of proceeds from asset sales, from GAAP Operating Cash Flow.

Conference Call Information

CIRCOR International will hold a conference call to review its financial results today, April 28, 2017, at 9:00 a.m. ET. To listen to the conference call and view the accompanying presentation slides, visit “[Webcasts & Presentations](#)” in the “[Investors](#)” portion of the CIRCOR website. The call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. The webcast will be archived for one year on the Company’s website.

Use of Non-GAAP Financial Measures

Adjusted operating income, Adjusted operating margin, Adjusted net income, Adjusted earnings per share (diluted), EBITDA, Adjusted EBITDA, net debt and free cash flow are non-GAAP financial measures. These non-GAAP financial measures are used by management in our financial and operating decision making because we believe they better reflect our ongoing business and allow for meaningful period-to-period comparisons. We believe these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company's current operating performance and future prospects in the same manner as management does, if they so choose. These non-GAAP financial measures also allow investors and others to compare the Company's current financial results with the Company's past financial results in a consistent manner. For example:

- We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.
- We exclude certain acquisition-related costs, including significant transaction costs and amortization of inventory step-ups and the related tax effects. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- We exclude the expense and tax effects associated with the non-cash amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of 5 to 20 years. Exclusion of the non-cash amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.
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CIRCOR's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the Company's operating performance and comparing such performance to that of prior periods and to the performance of our competitors. We use such measures when publicly providing our business outlook, assessing future earnings potential, evaluating potential acquisitions and dispositions and in our financial and operating decision-making process, including for compensation purposes.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in this news release.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but

not limited to, those relating to CIRCOR's future performance, including the realization of cost reductions from restructuring activities. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT WWW.CIRCOR.COM. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

About CIRCOR International, Inc.

CIRCOR International, Inc. designs, manufactures and markets flow control solutions and other highly engineered products and sub-systems for markets including oil & gas, aerospace, power, process and industrial solutions. CIRCOR has a diversified product portfolio with recognized, market-leading brands that fulfill its customers' unique application needs. The Company's strategy is to grow organically and through complementary acquisitions; simplify CIRCOR's operations; achieve world class operational excellence; and attract and retain top industry talent. For more information, visit the Company's investor relations website at <http://investors.circor.com>.

Contact:

Rajeev Bhalla
Executive Vice President & Chief Financial Officer
CIRCOR International
(781) 270-1200

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
UNAUDITED

	Three Months Ended	
	April 2, 2017	April 3, 2016
Net revenues	\$ 145,208	\$ 150,798
Cost of revenues	98,575	105,565
GROSS PROFIT	46,633	45,233
Selling, general and administrative expenses	40,089	37,799
Special and restructuring (recoveries) charges, net	(810)	1,939
OPERATING INCOME	7,354	5,495
Other expense (income):		
Interest expense, net	1,669	631
Other expense (income), net	225	(528)
TOTAL OTHER EXPENSE, NET	1,894	103
INCOME BEFORE INCOME TAXES	5,460	5,392
Provision for income taxes	687	1,520
NET INCOME	\$ 4,773	\$ 3,872
Earnings per common share:		
Basic	\$ 0.29	\$ 0.24
Diluted	\$ 0.29	\$ 0.23
Weighted average number of common shares outstanding:		
Basic	16,458	16,381
Diluted	16,691	16,481
Dividends declared per common share	\$ 0.0375	\$ 0.0375

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
UNAUDITED

	Three Months Ended	
	April 2, 2017	April 3, 2016
OPERATING ACTIVITIES		
Net income	\$ 4,773	\$ 3,872
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,798	3,263
Amortization	3,092	2,529
Bad debt recovery	(54)	(848)
Loss on write down of inventory	548	2,525
Compensation expense of share-based plans	738	1,538
Tax effect of share-based plan compensation	—	92
Change in fair value of contingent consideration	(2,500)	—
(Gain) Loss on sale or write down of property, plant and equipment	(110)	1,503
Changes in operating assets and liabilities, net of effects of acquisition:		
Trade accounts receivable	14,018	11,089
Inventories	2,030	8,486
Prepaid expenses and other assets	(4,297)	(4,287)
Accounts payable, accrued expenses and other liabilities	(5,841)	(22,108)
Net cash provided by operating activities	16,195	7,654
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(3,001)	(4,021)
Proceeds from the sale of property, plant and equipment	190	87
Business acquisition working capital adjustment	1,467	—
Net cash used in investing activities	(1,344)	(3,934)
FINANCING ACTIVITIES		
Proceeds from long-term debt	34,900	35,139
Payments of long-term debt	(43,100)	(27,871)
Dividends paid	(624)	(625)
Proceeds from the exercise of stock options	295	111
Tax effect of share-based plan compensation	—	(92)
Net cash (used in) provided by financing activities	(8,529)	6,662
Effect of exchange rate changes on cash and cash equivalents	1,055	1,657
INCREASE IN CASH AND CASH EQUIVALENTS	7,377	12,039
Cash and cash equivalents at beginning of period	58,279	54,541
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 65,656	\$ 66,580

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)
UNAUDITED

	April 2, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 65,656	\$ 58,279
Trade accounts receivable, less allowance for doubtful accounts of \$4,748 and \$5,056, respectively	120,344	133,046
Inventories	147,915	149,584
Prepaid expenses and other current assets	33,543	29,557
Total Current Assets	367,458	370,466
PROPERTY, PLANT AND EQUIPMENT, NET	99,271	99,713
OTHER ASSETS:		
Goodwill	206,795	206,659
Intangibles, net	133,339	135,778
Other assets	8,090	8,140
TOTAL ASSETS	\$ 814,953	\$ 820,756
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 51,398	\$ 46,767
Accrued expenses and other current liabilities	54,679	50,707
Accrued compensation and benefits	16,457	20,249
Total Current Liabilities	122,534	117,723
LONG-TERM DEBT	243,000	251,200
DEFERRED INCOME TAXES	12,454	13,657
OTHER NON-CURRENT LIABILITIES	21,428	33,766
SHAREHOLDERS' EQUITY:		
Common stock	179	178
Additional paid-in capital	291,586	289,423
Retained earnings	269,109	265,543
Common treasury stock, at cost	(74,472)	(74,472)
Accumulated other comprehensive loss, net of tax	(70,865)	(76,262)
Total Shareholders' Equity	415,537	404,410
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 814,953	\$ 820,756

CIRCOR INTERNATIONAL, INC.
SUMMARY OF ORDERS AND BACKLOG
(in millions)
UNAUDITED

	Three Months Ended	
	April 2, 2017	April 3, 2016
ORDERS (1)		
Energy	\$ 103.9	\$ 71.4
Advanced Flow Solutions	80.2	65.4
Total orders	<u>\$ 184.1</u>	<u>\$ 136.8</u>
BACKLOG (2)	April 2, 2017	April 3, 2016
Energy	\$ 146.2	\$ 122.7
Advanced Flow Solutions	135.6	137.3
Total backlog	<u>\$ 281.8</u>	<u>\$ 260.0</u>

Note 1: Orders do not include the foreign exchange impact due to the re-measurement of customer order backlog amounts denominated in foreign currencies.

Note 2: Backlog includes unshipped customer orders, including backlog associated with acquisitions.

CIRCOR INTERNATIONAL, INC.
SEGMENT INFORMATION
(in thousands, except percentages)
UNAUDITED

	2016					2017
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
NET REVENUES						
Energy	\$ 83,409	\$ 80,736	\$ 68,901	\$ 89,000	\$ 322,046	\$ 80,135
Advanced Flow Solutions	67,389	65,656	65,932	69,236	268,213	65,073
Total	\$ 150,798	\$ 146,392	\$ 134,833	\$ 158,236	\$ 590,259	\$ 145,208
SEGMENT OPERATING INCOME						
Energy	\$ 9,296	\$ 9,293	\$ 6,755	\$ 9,276	\$ 34,619	\$ 6,864
Advanced Flow Solutions	8,452	8,064	8,008	8,939	33,463	7,711
Corporate expenses	(6,488)	(5,431)	(6,522)	(7,231)	(25,672)	(5,479)
Adjusted Operating Income	\$ 11,260	\$ 11,926	\$ 8,240	\$ 10,984	\$ 42,410	\$ 9,096
SEGMENT OPERATING MARGIN %						
Energy	11.1%	11.5%	9.8%	10.4%	10.7%	8.6%
Advanced Flow Solutions	12.5%	12.3%	12.1%	12.9%	12.5%	11.8%
Adjusted Operating Margin	7.5%	8.1%	6.1%	6.9%	7.2%	6.3%

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS
(in thousands, except percentages)
UNAUDITED

	2016					2017
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,654	\$ 10,100	\$ 21,196	\$ 20,449	\$ 59,399	\$ 16,195
LESS:						
Capital expenditures, net of sale proceeds	3,934	1,926	3,730	3,402	12,992	2,811
FREE CASH FLOW	\$ 3,720	\$ 8,174	\$ 17,466	\$ 17,047	\$ 46,407	\$ 13,384
TOTAL DEBT	\$ 97,800	\$ 97,600	\$ 92,400	\$ 251,200	\$ 251,200	\$ 243,000
LESS:						
Cash & cash equivalents	66,580	72,970	84,929	58,279	58,279	65,656
NET DEBT	\$ 31,220	\$ 24,630	\$ 7,471	\$ 192,921	\$ 192,921	\$ 177,344
TOTAL SHAREHOLDERS' EQUITY	\$ 414,107	\$ 411,367	\$ 416,598	\$ 404,410	\$ 404,410	\$ 415,537
TOTAL DEBT AS % OF EQUITY	24%	24%	22%	62%	62%	58%
NET DEBT AS % OF EQUITY	8%	6%	2%	48%	48%	43%

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS
(in thousands, except per share data)
UNAUDITED

	2016					2017
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
NET INCOME (LOSS)	\$ 3,872	\$ 3,813	\$ 4,418	\$ (2,002)	\$ 10,101	\$ 4,773
LESS:						
Restructuring related inventory charges	1,958	75	—	813	2,846	—
Amortization of inventory step-up	—	—	—	1,366	1,366	—
Impairment charges	—	—	208	—	208	—
Restructuring charges, net	1,163	3,259	2,252	2,301	8,975	1,458
Acquisition amortization	1,868	1,911	1,888	4,234	9,901	2,552
Special charges (recoveries), net	776	1,334	379	5,707	8,196	(2,268)
Income tax impact	(954)	(1,611)	(1,519)	(4,487)	(8,571)	(1,137)
ADJUSTED NET INCOME	\$ 8,683	\$ 8,781	\$ 7,626	\$ 7,932	\$ 33,022	\$ 5,378

EARNINGS (LOSS) PER COMMON SHARE (Diluted)	\$ 0.23	\$ 0.23	\$ 0.27	\$ (0.12)	\$ 0.61	\$ 0.29
LESS:						
Restructuring related inventory charges	0.12	—	—	0.05	0.17	—
Amortization of inventory step-up	—	—	—	0.08	0.08	—
Impairment charges	—	—	0.01	—	0.01	—
Restructuring charges, net	0.07	0.20	0.14	0.14	0.54	0.09
Acquisition amortization	0.11	0.12	0.11	0.26	0.60	0.15
Special charges (recoveries), net	0.05	0.08	0.02	0.35	0.50	(0.14)
Income tax impact	(0.06)	(0.10)	(0.09)	(0.27)	(0.52)	(0.07)
ADJUSTED EARNINGS PER SHARE (Diluted)	\$ 0.52	\$ 0.53	\$ 0.46	\$ 0.48	\$ 1.99	\$ 0.32

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS
(in thousands)
UNAUDITED

	2016					2017
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
NET INCOME (LOSS)	\$ 3,872	\$ 3,813	\$ 4,418	\$ (2,002)	\$ 10,101	\$ 4,773
LESS:						
Interest expense, net	(631)	(605)	(605)	(1,468)	(3,310)	(1,669)
Depreciation	(3,263)	(3,213)	(3,138)	(3,690)	(13,304)	(3,798)
Amortization	(2,529)	(2,569)	(2,488)	(4,730)	(12,316)	(3,092)
(Provision for) benefit from income taxes	(1,520)	(1,478)	1,673	1,746	421	(687)
EBITDA	\$ 11,815	\$ 11,678	\$ 8,976	\$ 6,140	\$ 38,610	\$ 14,019
LESS:						
Restructuring related inventory charges	(1,958)	(75)	—	(813)	(2,846)	—
Amortization of inventory step-up	—	—	—	(1,366)	(1,366)	—
Impairment charges	—	—	(208)	—	(208)	—
Restructuring charges, net	(1,163)	(3,259)	(2,252)	(2,301)	(8,975)	(1,458)
Special (charges) recoveries, net	(776)	(1,334)	(379)	(5,707)	(8,196)	2,268
ADJUSTED EBITDA	\$ 15,712	\$ 16,346	\$ 11,815	\$ 16,327	\$ 60,201	\$ 13,209

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS
(in thousands, except percentages)
UNAUDITED

	2016					2017
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
GAAP OPERATING INCOME (LOSS)	\$ 5,495	\$ 5,347	\$ 3,513	\$ (3,437)	\$ 10,918	\$ 7,354
LESS:						
Restructuring related inventory charges	1,958	75	—	813	2,846	—
Amortization of inventory step-up	—	—	—	1,366	1,366	—
Impairment charges	—	—	208	—	208	—
Restructuring charges, net	1,163	3,259	2,252	2,301	8,975	1,458
Acquisition amortization	1,868	1,911	1,888	4,234	9,901	2,552
Special charges (recoveries), net	776	1,334	379	5,707	8,196	(2,268)
ADJUSTED OPERATING INCOME	\$ 11,260	\$ 11,926	\$ 8,240	\$ 10,984	\$ 42,410	\$ 9,096
GAAP OPERATING MARGIN	3.6%	3.7%	2.6%	(2.2)%	1.8%	5.1 %
LESS:						
Restructuring related inventory charges	1.3%	0.1%	—%	0.5 %	0.5%	— %
Amortization of inventory step-up	—%	—%	—%	0.9 %	0.2%	— %
Impairment charges	—%	—%	0.2%	— %	—%	— %
Restructuring charges, net	0.8%	2.2%	1.7%	1.5 %	1.5%	1.0 %
Acquisition amortization	1.2%	1.3%	1.4%	2.7 %	1.7%	1.8 %
Special charges (recoveries), net	0.5%	0.9%	0.3%	3.6 %	1.4%	(1.6)%
ADJUSTED OPERATING MARGIN	7.5%	8.1%	6.1%	6.9 %	7.2%	6.3 %



Energy | Advanced Flow Solutions

First Quarter 2017 Investor Review

Presented April 28th, 2017

Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this presentation that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's future performance, the realization of cost reduction due to restructuring activity and achievement of management's guidance. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORM 10-Q WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT WWW.CIRCOR.COM. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

See page 10 for information on the use of non-GAAP financial measures.

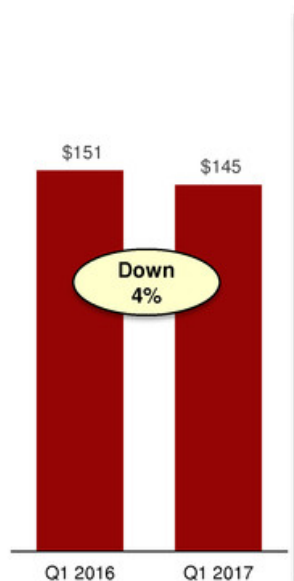
Q1 2017
Investor Review



Q1 2017 Results

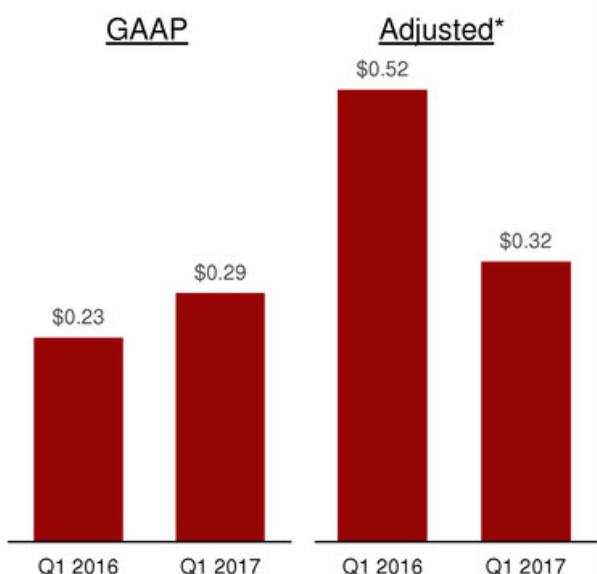
(\$ millions, except EPS)

Net Revenue

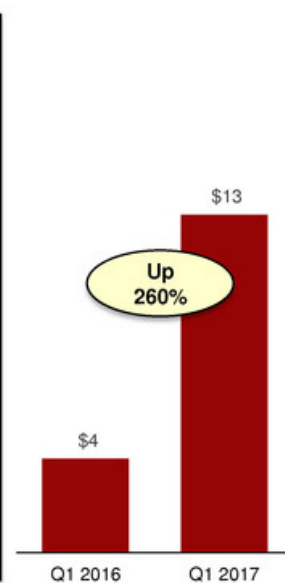


Organic	-17%
Acquisition	15%
FX	-2%
Total	-4%

EPS



YTD Free Cash Flow*



EPS: Diluted Earnings Per Share

* Reflects a non-GAAP measure, see CIRCOR's Q1 2017 earnings press release for definitions and a reconciliation to GAAP

Q1 2017
Investor Review



Energy Segment Highlights

(\$ millions)

	Q1 2017	YOY Change
Net Revenues	80.1	-4%
Segment Operating Income	6.9	-26%
Segment Operating Margin	8.6%	-250 bps

- **Q1 2017 revenues**
 - Large international projects volume down approximately 60%
 - CFS acquisition contributes \$23 million
 - Unfavorable FX impact
- **Q1 2017 segment operating margin**
 - Impact of decline in large international project business
 - Higher warranty and new factory start up costs
 - Partially offset by CFS acquisition and restructuring savings

Q1 2017
Investor Review



Advanced Flow Solutions Segment Highlights

(\$ millions)

	Q1 2017	YOY Change
Net Revenues	65.1	-3%
Segment Operating Income	7.7	-9%
Segment Operating Margin	11.8%	-70 bps

- **Q1 2017 revenues**

- 1% decline excluding unfavorable FX
- Higher fluid control and UK defense sales
- Lower shipments due to exit of low margin commercial actuation program
- Timing of U.S defense program shipments

- **Q1 2017 segment operating margin**

- Impacted by sales mix
- Partially offset by restructuring savings
- FX headwind of 20 bps

Q1 2017
Investor Review



Q1 P&L Highlights

(in millions, except per share data)

	Q1 2017			Q1 2016		
	Reported GAAP	Special & Restructuring Charges	Adjusted	Reported GAAP	Special & Restructuring Charges	Adjusted
Net Revenue	145.2	-	145.2	150.8	-	150.8
Operating Income	7.4	1.7	9.1	5.5	5.8	11.3
Net Interest Expense	(1.7)	-	(1.7)	(0.6)	-	(0.6)
Other (Expense) Income	(0.2)	-	(0.2)	0.5	-	0.5
Pre-Tax Income	5.5	1.7	7.2	5.4	5.8	11.2
Provision for income taxes	(0.7)	(1.1)	(1.8)	(1.5)	(1.1)	(2.6)
Net Income	4.8	0.6	5.4	3.9	4.7	8.6
Diluted EPS	0.29	0.03	0.32	0.23	0.29	0.52

Q1 2017
Investor Review



Cash Flow and Debt Highlights

(\$ millions)

	Q1 2017	FY 2016
Cash Flow from Operations	16	59
Capital Expenditures, net	(3)	(13)
Free Cash Flow	13	46

	2-Apr-17	31-Dec-16
Total Debt	243	251
Cash and Cash Equivalents	66	58
Net Debt	177	193
Net Debt to Equity	43%	48%

Q1 2017
Investor Review



Q2 2017 Guidance as of April 28, 2017

(\$ millions, except per share data)

	Q2 2017	
	Low	High
Net Revenue	\$150	\$160
Expected Adjusted Earnings Per Share	\$0.38	\$0.48
Expected Special / Restructuring Charges Per Share:		
- Restructuring charges	(\$0.05)	(\$0.03)
- Special charges – M&A amortization related	(\$0.11)	(\$0.11)

Q1 2017
Investor Review

Earnings per share based on expected diluted common share count

Assumes current exchange rates and adjusted tax rate of 27%

Expected Special Charges – M&A related includes amortization of intangibles related to the Schroedahl and CFS acquisitions



Restructuring Actions Summary

(\$ millions)

	Annualized Savings	2017 Savings	Status
Actions Announced in 2016	12	8	Complete
Actions Announced in 2015	21	-	Complete
A&D California Machining Center	3	2	Complete
Brazil (Operating loss)	4	-	Complete
China Operations	2	1	Complete
Total	42	11	

Q1 2017
Investor Review

Note: Restructuring actions include both structural and volume-related reductions in force



Use of Non-GAAP Financial Measures

Within this presentation the Company uses non-GAAP financial measures, including adjusted net income, adjusted earnings per diluted share, adjusted operating income, net debt and free cash flow. These non-GAAP financial measures are used by management in our financial and operating decision making because we believe they better reflect our ongoing business and allow for meaningful period-to-period comparisons. We believe these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company's current operating performance and future prospects in the same manner as management does, if they so choose. These non-GAAP financial measures also allow investors and others to compare the Company's current financial results with the Company's past financial results in a consistent manner. For example:

- We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.
- We exclude certain acquisition-related costs, including significant transaction costs and amortization of inventory step-ups and the related tax effects. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- We exclude the expense and tax effects associated with the non-cash amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of 5 to 20 years. Exclusion of the non-cash amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.
- We also exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements.

CIRCOR's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the Company's operating performance and comparing such performance to that of prior periods and to the performance of our competitors. We use such measures when publicly providing our business outlook, assessing future earnings potential, evaluating potential acquisitions and dispositions and in our financial and operating decision-making process including for compensation purposes.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States.

A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's first-quarter 2017 news release available on its website at www.CIRCOR.com.

Figures labeled "Adjusted" exclude certain charges and recoveries. A description of these charges and recoveries and a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's first-quarter 2017 news release available on its website at www.CIRCOR.com.

