

**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): October 24, 2016

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 October 28, 2016 CIRCOR International, Inc. (the “Company”) announced its financial results for the three and nine months ended October 2, 2016. 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.

In the press release and accompanying supplemental information, the Company uses the following non-GAAP financial measures: free cash flow, adjusted operating income, adjusted operating margin, adjusted net income, adjusted earnings per share (EPS), EBITDA, adjusted EBITDA, and organic revenue change.

Management of the Company believes that free cash flow (defined as net cash flow from operating activities, less net capital expenditures) 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.

The following non-GAAP measures are provided because management believes these measurements are useful for investors and financial institutions to analyze and compare companies on the basis of operating performance:

- Adjusted operating income (defined as operating income, excluding intangible amortization from acquisitions completed subsequent to December 31, 2014, the impact of the 2015 Brazil restatement, the impact of restructuring related inventory, impairment and special charges/gains).
- Adjusted operating margin (defined as adjusted operating income divided by net revenues).
- Adjusted net income (defined as net income, excluding intangible amortization from acquisitions completed subsequent to December 31, 2014, the impact of the 2015 Brazil restatement, special charges/gains including the impact of restructuring related inventory charges, and impairments, net of tax).
- Adjusted EPS (defined as earnings per common share diluted, excluding the per share impact of intangible amortization from acquisitions completed subsequent to December 31, 2014, the impact of the 2015 Brazil restatement, special charges/gains including the impact of restructuring related inventory charges, and impairments, net of tax).
- EBITDA (defined as net income plus net interest expense, provision for income taxes, depreciation and amortization).
- Adjusted EBITDA (defined as EBITDA plus the impact of the 2015 Brazil restatement, special charges/gains including the impact of restructuring related inventory charges, and impairments, net of tax).

- Organic revenue change (defined as the current period change in revenue excluding the impact of business acquired until the one year anniversary of the acquisition, changes in foreign exchange rates and divested businesses).

Management believes pro-forma non-GAAP measures are important for investors to consider when evaluating the Company's outlook. Free cash flow, adjusted operating income, adjusted operating margin, adjusted net income, adjusted EPS, EBITDA, adjusted EBITDA, and organic revenue change are not measures for financial performance under GAAP and should not be construed as a substitute for operating cash flows, operating income, net income or earnings per share. These non-GAAP measures may not necessarily be comparable to similarly titled measures used by other companies. A reconciliation of our non-GAAP 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The employment of Vincent Sandoval, the Group President, CIRCOR Aerospace & Defense and a named executive officer in the 2016 proxy statement of CIRCOR International, Inc., was terminated by the Company effective on October 28, 2016.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release regarding Earnings, Dated October 28, 2016 |
| 99.2 | Third Quarter 2016 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: October 28, 2016

CIRCOR INTERNATIONAL, INC.

/s/ Rajeev Bhalla

By: Rajeev Bhalla

Title: Executive Vice President and Chief Financial Officer

CIRCOR Reports Third-Quarter 2016 Financial Results

Burlington, MA - October 28, 2016 - CIRCOR International, Inc. (NYSE: CIR), a leading provider of flow control solutions and other highly engineered products for markets including oil & gas, power generation, industrial and aerospace & defense, today announced financial results for the third quarter ended October 2, 2016.

Third-Quarter 2016 Highlights

- *Revenue of \$135 million, GAAP EPS of \$0.27 and Adjusted EPS of \$0.46*
- *Operating cash flow of \$21 million and Free Cash Flow of \$17.5 million*
- *Energy business diversified through the acquisition of Critical Flow Solutions (CFS)*
- *CIRCOR simplification continues with new organization structure*

“Despite the cyclical headwinds facing our Energy business, we continue to focus on what we control. In the third quarter, we negotiated an important strategic acquisition, further reduced costs, and improved our working capital and cash flow performance,” said [Scott Buckhout](#), President and Chief Executive Officer. “The supplier quality issues we noted in the second quarter in our Aerospace and Defense business have been resolved. We expect stronger performance from this business going forward.”

On October 13, 2016, CIRCOR closed on the acquisition of Critical Flow Solutions. This acquisition is consistent with the Company’s disciplined capital deployment strategy and diversifies CIRCOR’s revenue base as it further penetrates the stable downstream refining market. CFS brings an impressive portfolio of high technology valves and automation equipment for severe-service applications. CFS is generating strong margins due to its proprietary technology, large installed base, and high proportion of aftermarket sales.

“In addition, we are taking further actions to optimize our organizational structure to drive top-line growth and better align our businesses with end markets,” added Buckhout. “Going forward, our new ‘Energy’ segment, including our recent acquisition of CFS, will primarily serve the oil & gas market. The second segment, ‘Advanced Flow Solutions,’ will include the current Aerospace & Defense businesses plus the Control Valves product line out of our legacy Energy Group. We expect to complete this reorganization in the fourth quarter and report the year-end results consistent with the new organizational structure.”

Advanced Flow Solutions (AFS) brings together CIRCOR’s Aerospace & Defense and Control Valves product lines under one management structure. AFS will be a diversified flow control technology platform that will help CIRCOR accelerate growth in the aerospace, defense, power, process, and general industrial end markets. In addition, this new Group will serve as the platform to acquire innovative technologies in broader flow control adjacencies. Sumit Mehrotra will lead this new Group, which will be headquartered in Corona, California. Mr. Mehrotra currently serves as CIRCOR’s Senior Vice President for Global Supply Chain & Product Management.

“As we enter the final quarter of the year, we remain focused on executing our simplification and margin improvement actions. We are committed to creating long-term value for our shareholders by investing in both organic growth and acquisitions, expanding margins, generating strong free cash flow, and being disciplined with capital deployment,” concluded Buckhout.

Fourth-Quarter 2016 Guidance

For the fourth quarter of 2016, the Company will provide its guidance during the conference call later today.

Selected Consolidated Results (unaudited)

| (\$ millions except EPS) | Q3 2016 | Q3 2015 | Change |
|--|----------|-----------|-----------|
| Revenue | \$ 134.8 | \$ 159.3 | (15)% |
| GAAP Operating Income | \$ 3.5 | \$ (3.5) | 200% |
| Adjusted Operating Income ¹ | \$ 8.2 | \$ 16.2 | (49)% |
| GAAP Operating Margin | 2.6% | (2.2)% | 480 bps |
| Adjusted Operating Margin ¹ | 6.1% | 10.1% | (400) bps |
| GAAP Earnings Per Share (Diluted) | \$ 0.27 | \$ (0.49) | 155% |
| Adjusted Earnings Per Share (Diluted) ¹ | \$ 0.46 | \$ 0.64 | (28)% |
| Operating Cash Flow | \$ 21.2 | \$ 5.0 | 324% |
| Free Cash Flow ² | \$ 17.5 | \$ 2.2 | NM |
| Orders | \$ 111.3 | \$ 128.5 | (13)% |

Segment Results

| (\$ millions) | Q3 2016 | Q3 2015 | Change |
|--|---------|----------|-----------|
| Energy | | | |
| Revenue | \$ 99.8 | \$ 122.9 | (19)% |
| GAAP Operating Margin | 7.7% | (0.6)% | 830 bps |
| Adjusted Operating Margin ¹ | 11.4% | 15.4% | (400) bps |
| Orders | \$ 78.5 | \$ 94.2 | (17)% |
| Aerospace & Defense | | | |
| Revenue | \$ 35.0 | \$ 36.4 | (4)% |
| GAAP Operating Margin | 6.7% | 8.9% | (220) bps |
| Adjusted Operating Margin ¹ | 9.7% | 9.1% | 60 bps |
| Orders | \$ 32.8 | \$ 34.3 | (4)% |

1. Consolidated and Segment Results for Q3 2016 exclude special, restructuring and impairment charges totaling \$4.7 million. This includes (i) \$1.9 million for non-cash acquisition-related intangible amortization expense; (ii) \$0.8 million related to the exit of the Company's California machine shop; (iii) \$0.4 million related to the Company's Brazil exit; and (iv) \$1.6 million related to the Company's suspension of manufacturing operations in China and other restructuring programs. Q3 2015 results exclude special, restructuring and impairment charges totaling \$19.7 million including (i) \$16.9 million related to the closure of the Brazil manufacturing operations including restructuring-related inventory charge of \$6.4 million; (ii) \$2.5 million for Schroedahl intangible amortization expense; and (iii) restructuring costs of \$0.4 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, October 28, 2016, 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 net income, adjusted earnings per share (diluted), adjusted operating income, adjusted operating margin, and free cash flow are non-GAAP financial measures and are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company’s performance. 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, power generation, industrial and aerospace & defense. 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:

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

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

| | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-----------------|
| | October 2, 2016 | October 4, 2015 | October 2, 2016 | October 4, 2015 |
| Net revenues | \$ 134,833 | \$ 159,258 | \$ 432,023 | \$ 492,023 |
| Cost of revenues | 92,479 | 113,865 | 298,005 | 343,187 |
| GROSS PROFIT | 42,354 | 45,393 | 134,018 | 148,836 |
| Selling, general and administrative expenses | 36,002 | 38,143 | 110,290 | 119,344 |
| Impairment charges | 208 | 2,502 | 208 | 2,502 |
| Special charges, net | 2,631 | 8,277 | 9,165 | 13,098 |
| OPERATING INCOME (LOSS) | 3,513 | (3,529) | 14,355 | 13,892 |
| Other expense (income): | | | | |
| Interest expense, net | 605 | 828 | 1,841 | 2,274 |
| Other expense (income), net | 163 | (587) | (914) | (1,197) |
| TOTAL OTHER EXPENSE, NET | 768 | 241 | 927 | 1,077 |
| INCOME (LOSS) BEFORE INCOME TAXES | 2,745 | (3,770) | 13,428 | 12,816 |
| (Benefit from) Provision for income taxes | (1,673) | 4,308 | 1,325 | 10,109 |
| NET INCOME (LOSS) | \$ 4,418 | \$ (8,078) | \$ 12,103 | \$ 2,707 |
| Earnings (Loss) per common share: | | | | |
| Basic | \$ 0.27 | \$ (0.49) | \$ 0.74 | \$ 0.16 |
| Diluted | \$ 0.27 | \$ (0.49) | \$ 0.73 | \$ 0.16 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 16,427 | 16,485 | 16,411 | 16,989 |
| Diluted | 16,629 | 16,485 | 16,568 | 17,029 |
| Dividends declared per common share | \$ 0.0375 | \$ 0.0375 | \$ 0.1125 | \$ 0.1125 |

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

| | Nine Months Ended | |
|---|-------------------|-----------------|
| | October 2, 2016 | October 4, 2015 |
| OPERATING ACTIVITIES | | |
| Net income | \$ 12,103 | \$ 2,707 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation | 9,614 | 10,676 |
| Amortization | 7,586 | 6,742 |
| Bad debt (recovery) expense | (928) | 2,832 |
| Loss on write down of inventory | 5,784 | 11,808 |
| Compensation expense of share-based plans | 4,200 | 5,811 |
| Tax effect of share-based plan compensation | 123 | (259) |
| Loss on sale or write down of property, plant and equipment | 3,238 | 478 |
| Impairment charges | 208 | 2,502 |
| Gain on sale of business | — | (1,044) |
| Changes in operating assets and liabilities, net of effects of acquisition and disposition: | | |
| Trade accounts receivable | 15,422 | 8,118 |
| Inventories | 20,216 | (29,260) |
| Prepaid expenses and other assets | 545 | (2,801) |
| Accounts payable, accrued expenses and other liabilities | (39,161) | (21,669) |
| Net cash provided by (used in) operating activities | 38,950 | (3,359) |
| INVESTING ACTIVITIES | | |
| Purchases of property, plant and equipment | (10,776) | (9,604) |
| Proceeds from the sale of property, plant and equipment | 1,186 | 1,200 |
| Proceeds from the sale of affiliate | — | 2,759 |
| Business acquisition, net of cash acquired | — | (79,983) |
| Net cash used in investing activities | (9,590) | (85,628) |
| FINANCING ACTIVITIES | | |
| Proceeds from long-term debt | 90,589 | 241,619 |
| Payments of long-term debt | (88,740) | (141,830) |
| Dividends paid | (1,873) | (1,937) |
| Proceeds from the exercise of stock options | 192 | 259 |
| Tax effect of share-based plan compensation | (123) | 259 |
| Purchases of common stock | — | (69,517) |
| Net cash provided by financing activities | 45 | 28,853 |
| Effect of exchange rate changes on cash and cash equivalents | 983 | (7,416) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 30,388 | (67,550) |
| Cash and cash equivalents at beginning of period | 54,541 | 121,372 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 84,929 | \$ 53,822 |

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

| | October 2, 2016 | December 31, 2015 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 84,929 | \$ 54,541 |
| Trade accounts receivable, less allowance for doubtful accounts of \$7,570 and \$8,290, respectively | 112,122 | 125,628 |
| Inventories | 153,470 | 177,840 |
| Prepaid expenses and other current assets | 18,001 | 16,441 |
| Total Current Assets | 368,522 | 374,450 |
| PROPERTY, PLANT AND EQUIPMENT, NET | 81,327 | 87,029 |
| OTHER ASSETS: | | |
| Goodwill | 117,167 | 115,452 |
| Intangibles, net | 40,953 | 48,981 |
| Deferred income taxes | 42,713 | 36,799 |
| Other assets | 5,983 | 7,204 |
| TOTAL ASSETS | \$ 656,665 | \$ 669,915 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 50,500 | \$ 64,284 |
| Accrued expenses and other current liabilities | 39,950 | 52,878 |
| Accrued compensation and benefits | 17,386 | 18,424 |
| Income taxes payable | 5,956 | 6,585 |
| Total Current Liabilities | 113,792 | 142,171 |
| LONG-TERM DEBT | 92,400 | 90,500 |
| DEFERRED INCOME TAXES | 9,837 | 10,424 |
| OTHER NON-CURRENT LIABILITIES | 24,038 | 26,043 |
| SHAREHOLDERS' EQUITY: | | |
| Common stock | 178 | 177 |
| Additional paid-in capital | 287,919 | 283,621 |
| Retained earnings | 268,169 | 257,939 |
| Common treasury stock, at cost | (74,972) | (74,972) |
| Accumulated other comprehensive loss, net of tax | (64,696) | (65,988) |
| Total Shareholders' Equity | 416,598 | 400,777 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 656,665 | \$ 669,915 |

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

| | Three Months Ended | | Nine Months Ended | |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| | October 2, 2016 | October 4, 2015 | October 2, 2016 | October 4, 2015 |
| ORDERS (1) | | | | |
| Energy | \$ 78.5 | \$ 94.2 | \$ 266.5 | \$ 348.7 |
| Aerospace & Defense | 32.8 | 34.3 | 117.0 | 103.9 |
| Total orders | <u>\$ 111.3</u> | <u>\$ 128.5</u> | <u>\$ 383.5</u> | <u>\$ 452.6</u> |
| BACKLOG (2) | | | | |
| Energy | \$ 120.9 | \$ 210.6 | | |
| Aerospace & Defense | 99.3 | 94.1 | | |
| Total backlog | <u>\$ 220.2</u> | <u>\$ 304.7</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.

CIRCOR INTERNATIONAL, INC.
SUMMARY REPORT BY SEGMENT
(in thousands, except percentages)
UNAUDITED

| | 2015 | | | | | 2016 | | | |
|--|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | YTD |
| NET REVENUES | | | | | | | | | |
| Energy | \$127,586 | \$127,230 | \$ 122,905 | \$124,412 | \$502,133 | \$112,620 | \$ 110,678 | \$ 99,798 | \$ 323,096 |
| Aerospace & Defense | 38,274 | 39,676 | 36,353 | 39,832 | 154,134 | 38,178 | 35,714 | 35,035 | 108,927 |
| Total | \$165,860 | \$166,906 | \$ 159,258 | \$164,243 | \$656,267 | \$150,798 | \$ 146,392 | \$134,833 | \$ 432,023 |
| OPERATING MARGIN | | | | | | | | | |
| Energy | 13.8 % | 13.4 % | 15.4 % | 13.4 % | 14.0 % | 12.6 % | 13.0 % | 11.4 % | 12.3 % |
| Aerospace & Defense | 8.0 % | 8.8 % | 9.1 % | 10.4 % | 9.1 % | 9.3 % | 8.4 % | 9.7 % | 9.2 % |
| Segment operating margin | 12.4 % | 12.3 % | 14.0 % | 12.7 % | 12.8 % | 11.8 % | 11.9 % | 10.9 % | 11.5 % |
| Corporate expenses | (3.6)% | (3.3)% | (3.8)% | (2.5)% | (3.3)% | (4.3)% | (3.7)% | (4.8)% | (4.3)% |
| Adjusted operating margin | 8.8 % | 9.0 % | 10.1 % | 10.2 % | 9.5 % | 7.5 % | 8.1 % | 6.1 % | 7.3 % |
| Restructuring related inventory charges | — % | 1.2 % | 4.0 % | 0.6 % | 1.4 % | 1.3 % | 0.1 % | — % | 0.5 % |
| Impairment charges | — % | — % | 1.6 % | — % | 0.4 % | — % | — % | 0.2 % | 0.1 % |
| Special restructuring charges, net | 0.9 % | 1.9 % | 0.2 % | (0.2)% | 0.7 % | 0.8 % | 2.2 % | 1.7 % | 1.5 % |
| Special acquisition amortization | — % | 1.3 % | 1.6 % | 1.4 % | 1.0 % | 1.2 % | 1.3 % | 1.4 % | 1.3 % |
| Special other charges, net of recoveries | — % | 0.1 % | 5.0 % | 1.0 % | 1.5 % | 0.5 % | 0.9 % | 0.3 % | 0.6 % |
| Brazil restatement impact | 0.4 % | 1.5 % | — % | — % | 0.5 % | — % | — % | — % | — % |
| Total GAAP operating margin | 7.4 % | 3.0 % | (2.2)% | 7.5 % | 4.0 % | 3.6 % | 3.7 % | 2.6 % | 3.3 % |

CIRCOR INTERNATIONAL, INC.
SUMMARY REPORT BY SEGMENT
(in thousands, except percentages and per share data)
UNAUDITED

| | 2015 | | | | | 2016 | | | |
|--|----------|----------|------------|----------|----------|----------|----------|-----------|----------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | YTD |
| INCOME STATEMENT | | | | | | | | | |
| Energy | \$17,550 | \$17,008 | \$ 18,932 | \$16,724 | \$70,214 | \$14,186 | \$14,346 | \$ 11,357 | \$39,888 |
| Aerospace & Defense | 3,045 | 3,494 | 3,298 | 4,146 | 13,982 | 3,562 | 3,011 | 3,406 | 9,979 |
| Segment operating income | 20,595 | 20,502 | 22,230 | 20,870 | 84,197 | 17,748 | 17,357 | 14,763 | 49,867 |
| Corporate expenses | (6,034) | (5,477) | (6,078) | (4,122) | (21,710) | (6,488) | (5,431) | (6,522) | (18,441) |
| Adjusted operating income | 14,561 | 15,025 | 16,152 | 16,748 | 62,487 | 11,260 | 11,926 | 8,240 | 31,426 |
| Restructuring related inventory charges | — | 2,005 | 6,412 | 974 | 9,391 | 1,958 | 75 | — | 2,033 |
| Impairment charges | — | — | 2,502 | — | 2,502 | — | — | 208 | 208 |
| Special restructuring charges, net | 1,512 | 3,127 | 342 | (347) | 4,634 | 1,163 | 3,259 | 2,252 | 6,674 |
| Special acquisition amortization | — | 2,110 | 2,490 | 2,238 | 6,838 | 1,868 | 1,911 | 1,888 | 5,667 |
| Special other charges, net of recoveries | (1) | 183 | 7,935 | 1,603 | 9,720 | 776 | 1,334 | 379 | 2,489 |
| Brazil restatement impact | 719 | 2,509 | — | — | 3,228 | — | — | — | — |
| Total GAAP operating income (loss) | 12,331 | 5,090 | (3,529) | 12,281 | 26,174 | 5,495 | 5,347 | 3,513 | 14,355 |
| INTEREST EXPENSE, NET | (640) | (805) | (828) | (570) | (2,844) | (631) | (605) | (605) | (1,841) |
| OTHER INCOME (EXPENSE), NET | 506 | 104 | 587 | (2,099) | (902) | 528 | 549 | (163) | 914 |
| PRETAX INCOME (LOSS) | 12,197 | 4,389 | (3,770) | 9,612 | 22,428 | 5,392 | 5,291 | 2,745 | 13,428 |
| (PROVISION FOR) BENEFIT FROM INCOME TAXES | (3,284) | (2,517) | (4,308) | (2,456) | (12,565) | (1,520) | (1,478) | 1,673 | (1,325) |
| EFFECTIVE TAX RATE | 26.9% | 57.3% | (114.3)% | 25.6% | 56.0% | 28.2% | 27.9% | (61.0)% | 9.9% |
| NET INCOME (LOSS) | \$ 8,913 | \$ 1,872 | \$ (8,078) | \$ 7,156 | \$ 9,863 | \$ 3,872 | \$ 3,813 | \$ 4,418 | \$12,103 |
| Weighted Average Common Shares Outstanding (Diluted) | 17,712 | 16,900 | 16,485 | 16,555 | 16,913 | 16,481 | 16,595 | 16,629 | 16,568 |
| EARNINGS (LOSS) PER COMMON SHARE (Diluted) | \$ 0.50 | \$ 0.11 | \$ (0.49) | \$ 0.43 | \$ 0.58 | \$ 0.23 | \$ 0.23 | \$ 0.27 | \$ 0.73 |

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

| | 2015 | | | | | 2016 | | | |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | YTD |
| FREE CASH FLOW AS % OF NET INCOME (LOSS) | (207)% | 239% | (27)% | 397% | 169% | 96% | 214% | 395% | 243% |
| FREE CASH FLOW | \$ (18,415) | \$ 4,483 | \$ 2,169 | \$ 28,403 | \$ 16,640 | \$ 3,720 | \$ 8,174 | \$ 17,466 | \$ 29,360 |
| ADD: | | | | | | | | | |
| Capital expenditures, net of sale proceeds | 1,983 | 3,584 | 2,837 | 2,098 | 10,502 | 3,934 | 1,926 | 3,730 | 9,590 |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | \$ (16,432) | \$ 8,067 | \$ 5,006 | \$ 30,501 | \$ 27,142 | \$ 7,654 | \$ 10,100 | \$ 21,196 | \$ 38,950 |
| NET (CASH) DEBT | \$ (66,337) | \$ 59,051 | \$ 57,277 | \$ 35,959 | \$ 35,959 | \$ 31,220 | \$ 24,630 | \$ 7,471 | \$ 7,471 |
| ADD: | | | | | | | | | |
| Cash & cash equivalents | 103,883 | 55,027 | 53,822 | 54,541 | 54,541 | 66,580 | 72,970 | 84,929 | 84,929 |
| TOTAL DEBT | \$ 37,546 | \$ 114,078 | \$ 111,099 | \$ 90,500 | \$ 90,500 | \$ 97,800 | \$ 97,600 | \$ 92,400 | \$ 92,400 |
| TOTAL SHAREHOLDERS' EQUITY | \$ 462,384 | \$ 421,070 | \$ 407,979 | \$ 400,777 | \$ 400,777 | \$ 414,107 | \$ 411,367 | \$ 416,598 | \$ 416,598 |
| DEBT AS % OF EQUITY | 8 % | 27% | 27 % | 23% | 23% | 24% | 24% | 22% | 22% |
| NET DEBT AS % OF EQUITY | (14)% | 14% | 14 % | 9% | 9% | 8% | 6% | 2% | 2% |

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

| | 2015 | | | | | 2016 | | | |
|--|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | YTD |
| ADJUSTED NET INCOME | \$ 10,564 | \$ 9,357 | \$ 10,635 | \$ 10,512 | \$ 41,068 | \$ 8,683 | \$ 8,781 | \$ 7,626 | \$ 25,090 |
| LESS: | | | | | | | | | |
| Restructuring related inventory charges | — | 2,005 | 6,412 | 974 | 9,391 | 1,958 | 75 | — | 2,033 |
| Impairment charges | — | — | 2,502 | — | 2,502 | — | — | 208 | 208 |
| Special restructuring charges, net | 1,512 | 3,127 | 342 | (347) | 4,634 | 1,163 | 3,259 | 2,252 | 6,674 |
| Special acquisition amortization | — | 2,110 | 2,490 | 2,238 | 6,838 | 1,868 | 1,911 | 1,888 | 5,667 |
| Special other charges, net of recoveries | (1) | 183 | 7,935 | 1,603 | 9,720 | 776 | 1,334 | 379 | 2,489 |
| Brazil restatement impact | 719 | 2,509 | — | — | 3,228 | — | — | — | — |
| Income tax impact | (579) | (2,449) | (968) | (1,112) | (5,108) | (954) | (1,611) | (1,519) | (4,084) |
| NET INCOME (LOSS) | \$ 8,913 | \$ 1,872 | \$ (8,078) | \$ 7,156 | \$ 9,863 | \$ 3,872 | \$ 3,813 | \$ 4,418 | \$ 12,103 |

| | | | | | | | | | |
|---|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ADJUSTED EARNINGS PER SHARE (Diluted) | \$ 0.60 | \$ 0.55 | \$ 0.64 | \$ 0.63 | \$ 2.43 | \$ 0.52 | \$ 0.53 | \$ 0.46 | \$ 1.51 |
| LESS: | | | | | | | | | |
| Restructuring related inventory charges | — | 0.12 | 0.39 | 0.06 | 0.57 | 0.12 | — | — | 0.12 |
| Impairment charges | — | — | 0.15 | — | 0.15 | — | — | 0.01 | 0.01 |
| Special restructuring charges, net | 0.09 | 0.19 | 0.02 | (0.02) | 0.28 | 0.07 | 0.20 | 0.14 | 0.40 |
| Special acquisition amortization | — | 0.12 | 0.15 | 0.14 | 0.41 | 0.11 | 0.12 | 0.11 | 0.34 |
| Special other charges, net of recoveries | — | 0.01 | 0.48 | 0.10 | 0.59 | 0.05 | 0.08 | 0.02 | 0.15 |
| Brazil restatement impact | 0.04 | 0.15 | — | — | 0.19 | — | — | — | — |
| Income tax impact | (0.03) | (0.15) | (0.06) | (0.07) | (0.31) | (0.06) | (0.10) | (0.09) | (0.25) |
| EARNINGS (LOSS) PER COMMON SHARE (Diluted) | \$ 0.50 | \$ 0.11 | \$ (0.49) | \$ 0.43 | \$ 0.58 | \$ 0.23 | \$ 0.23 | \$ 0.27 | \$ 0.73 |

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

| | 2015 | | | | | 2016 | | | |
|---|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | YTD |
| ADJUSTED EBITDA | \$ 19,299 | \$ 19,474 | \$ 20,980 | \$ 18,927 | \$ 78,681 | \$ 15,712 | \$ 16,346 | \$ 11,815 | \$ 43,873 |
| LESS: | | | | | | | | | |
| Restructuring related inventory charges | — | (2,005) | (6,412) | (974) | (9,391) | (1,958) | (75) | — | (2,033) |
| Impairment charges | — | — | (2,502) | — | (2,502) | — | — | (208) | (208) |
| Special restructuring charges, net | (1,512) | (3,127) | (342) | 347 | (4,634) | (1,163) | (3,259) | (2,252) | (6,674) |
| Special other charges, net of recoveries | 1 | (183) | (7,935) | (1,603) | (9,720) | (776) | (1,334) | (379) | (2,489) |
| Brazil restatement impact | (719) | (2,509) | — | — | (3,228) | — | — | — | — |
| EBITDA | \$ 17,068 | \$ 11,650 | \$ 3,789 | \$ 16,698 | \$ 49,206 | \$ 11,815 | \$ 11,678 | \$ 8,976 | \$ 32,469 |
| LESS: | | | | | | | | | |
| Interest expense, net | (641) | (805) | (828) | (570) | (2,844) | (631) | (605) | (605) | (1,841) |
| Depreciation | (3,521) | (3,629) | (3,526) | (3,578) | (14,254) | (3,263) | (3,213) | (3,138) | (9,614) |
| Amortization | (710) | (2,827) | (3,205) | (2,939) | (9,681) | (2,529) | (2,569) | (2,488) | (7,586) |
| (Provision for) benefit from income taxes | (3,284) | (2,517) | (4,308) | (2,456) | (12,565) | (1,520) | (1,478) | 1,673 | (1,325) |
| NET INCOME (LOSS) | \$ 8,913 | \$ 1,872 | \$ (8,078) | \$ 7,156 | \$ 9,863 | \$ 3,872 | \$ 3,813 | \$ 4,418 | \$ 12,103 |

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

| | 2015 | | | | | | | | | | 2016 | | | | | | | |
|--|---------|--------|---------|--------|---------|------|---------|-------|--------|--------|---------|------|---------|------|---------|------|--------|------|
| | 1ST QTR | | 2ND QTR | | 3RD QTR | | 4TH QTR | | TOTAL | | 1ST QTR | | 2ND QTR | | 3RD QTR | | YTD | |
| | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D |
| ADJUSTED OPERATING MARGIN | 13.8% | 8.0 % | 13.4% | 8.8 % | 15.4 % | 9.1% | 13.4 % | 10.4% | 14.0% | 9.1 % | 12.6 % | 9.3% | 13.0% | 8.4% | 11.4% | 9.7% | 12.3% | 9.2% |
| Restructuring related inventory charges | —% | — % | 0.1% | 4.7 % | 5.2 % | —% | 0.4 % | 1.2% | 1.4% | 1.5 % | 1.7 % | 0.1% | 0.1% | —% | —% | —% | 0.6% | —% |
| Impairment charges | —% | — % | —% | — % | 2.0 % | —% | —% | —% | 0.5% | — % | —% | —% | —% | —% | 0.2% | —% | 0.1% | —% |
| Special restructuring charges, net | 0.3% | 3.1 % | 2.2% | 0.8 % | 0.2 % | 0.2% | (0.3)% | 0.1% | 0.6% | 1.0 % | (0.2)% | 3.8% | 0.8% | 6.6% | 1.2% | 3.0% | 0.6% | 4.5% |
| Special acquisition amortization | —% | — % | 1.7% | — % | 2.0 % | —% | 1.8 % | —% | 1.4% | — % | 1.7 % | —% | 1.7% | —% | 1.9% | —% | 1.8% | —% |
| Special other charges, net of recoveries | 0.4% | (2.6)% | 0.2% | (0.2)% | 6.5 % | —% | 0.7 % | —% | 1.9% | (0.7)% | 0.7 % | —% | 1.2% | —% | 0.4% | —% | 0.8% | —% |
| Brazil restatement impact | 0.6% | — % | 2.0% | — % | —% | —% | —% | —% | 0.6% | — % | —% | —% | —% | —% | —% | —% | —% | —% |
| GAAP OPERATING MARGIN | 12.5% | 7.5 % | 7.2% | 3.5 % | (0.6)% | 8.9% | 10.9 % | 9.1% | 7.6% | 7.2 % | 8.8 % | 5.5% | 9.1% | 1.8% | 7.7% | 6.7% | 8.6% | 4.7% |

| | 2015 | | | | | | | | | | 2016 | | | | | | | |
|--|----------|---------|----------|---------|----------|---------|----------|---------|----------|----------|----------|---------|----------|---------|----------|---------|----------|---------|
| | 1ST QTR | | 2ND QTR | | 3RD QTR | | 4TH QTR | | TOTAL | | 1ST QTR | | 2ND QTR | | 3RD QTR | | YTD | |
| | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D | Energy | A&D |
| ADJUSTED OPERATING INCOME | \$17,550 | \$3,045 | \$17,008 | \$3,494 | \$18,932 | \$3,298 | \$16,724 | \$4,146 | \$70,214 | \$13,982 | \$14,186 | \$3,562 | \$14,346 | \$3,011 | \$11,357 | \$3,406 | \$39,888 | \$9,979 |
| Restructuring related inventory charges | — | — | 153 | 1,852 | 6,412 | — | 508 | 466 | 7,073 | 2,318 | 1,919 | 39 | 74 | — | — | — | 1,993 | 39 |
| Impairment charges | — | — | — | — | 2,502 | — | — | — | 2,502 | — | — | — | — | — | 208 | — | 208 | — |
| Special restructuring charges, net | 343 | 1,169 | 2,818 | 309 | 279 | 63 | (394) | 47 | 3,046 | 1,588 | (278) | 1,441 | 900 | 2,359 | 1,191 | 1,061 | 1,814 | 4,861 |
| Special acquisition amortization | — | — | 2,110 | — | 2,490 | — | 2,238 | — | 6,838 | — | 1,868 | — | 1,911 | — | 1,888 | — | 5,667 | — |
| Special other charges, net of recoveries | 556 | (977) | 248 | (65) | 7,935 | — | 828 | — | 9,567 | (1,042) | 774 | — | 1,335 | — | 379 | — | 2,488 | — |
| Brazil restatement impact | 719 | — | 2,509 | — | — | — | — | — | 3,228 | — | — | — | — | — | — | — | — | — |
| GAAP OPERATING INCOME (LOSS) | \$15,932 | \$2,853 | \$ 9,170 | \$1,398 | \$ (686) | \$3,235 | \$13,544 | \$3,633 | \$37,960 | \$11,118 | \$ 9,903 | \$2,082 | \$10,126 | \$ 652 | \$ 7,690 | \$2,345 | \$27,719 | \$5,079 |



Energy | Aerospace & Defense

Third Quarter 2016 Investor Review

Presented October 28, 2016

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.

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, adjusted operating margin, net debt and free cash flow. These measures are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company's performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's third-quarter 2016 news release available on its website at www.CIRCOR.com.

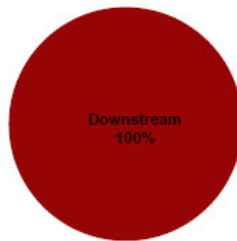
Figures labeled "Adjusted" exclude certain charges and recoveries. A description of these charges and recoveries and a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's third-quarter 2016 news release available on its website at www.CIRCOR.com.

Critical Flow Solutions (CFS) Overview

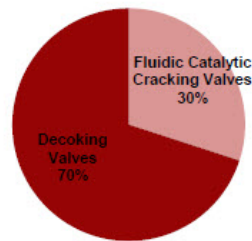
Key Transaction Drivers

- Differentiated technology and leading positions in niche markets
- Strong patent protection
- Diversification of CIRCOR's revenue base
- Increased exposure to high margin aftermarket sales with large installed base
- Significant cost synergies
- Strong ROIC

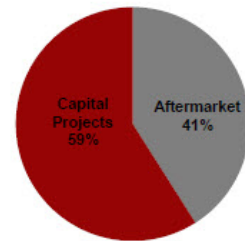
End Market



Product Portfolio



Projects/Aftermarket



Q3 2016 Investor
Review

Source: 2015 Management Reports



CIRCOR Group Simplification

- **Better aligns organization with end markets**
 - Customers and channels better aligned with commercial teams
 - Facilitates customer intimacy
 - Targeted growth priorities
- **Creates a more focused 'Energy' segment**
 - Includes recent acquisition of CFS
 - Primarily serves the oil & gas market
- **Establishes 'Advanced Flow Solutions' segment**
 - Includes Aerospace & Defense and Control Valves businesses
 - Creates a diversified flow control technology platform
 - Clear commercial alignment with end markets
 - Aerospace, defense, power, process and industrial
 - Serves as a platform to acquire and integrate innovative technologies in adjacent and converging flow control markets
- **Expect to report financial results in new segments beginning in Q4 2016**

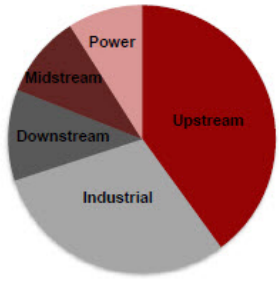
Q3 2016 Investor
Review



CIRCOR Group Simplification

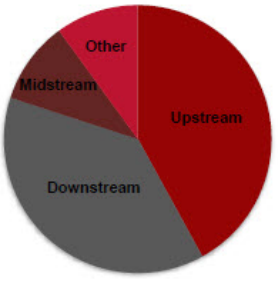
TODAY

Energy Segment (75%)

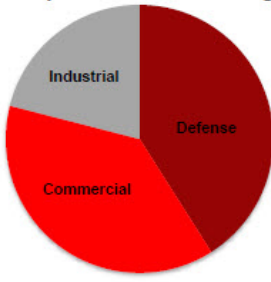


New Segments

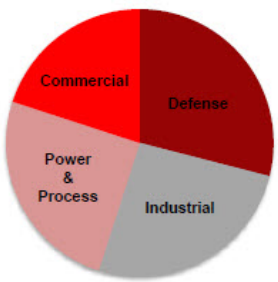
Energy Segment (60%)



Aerospace & Defense Segment (25%)



Advanced Flow Solutions Segment (40%)



Q3 2016 Investor Review



Q3 2016 Energy Segment Highlights

(\$ millions)

| | Reported | Adjusted* | YOY Change* |
|------------------|----------|-----------|-------------|
| Net revenues | 99.8 | 99.8 | (19%) |
| Operating income | 7.7 | 11.4 | (7.6) |
| Operating margin | 7.7% | 11.4% | (400) bps |

- **Revenues decreased 19%**
 - Lower upstream distributed valve and instrumentation sales
 - Large international projects volume down
 - Unfavorable FX impact of ~\$0.4 million
- **Adjusted operating margin decreased 400 bps**
 - Reduced volume, primarily distributed valves
 - Continued productivity, sourcing and restructuring savings

* Adjusted to exclude restructuring and special charges. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's third-quarter 2016 news release available on its website at www.CIRCOR.com

Q3 2016 Investor
Review



Q3 2016 Aerospace & Defense Segment Highlights

(\$ millions)

| | Reported | Adjusted* | YOY Change* |
|------------------|----------|-----------|-------------|
| Net revenues | 35.0 | 35.0 | (4%) |
| Operating income | 2.3 | 3.4 | 0.1 |
| Operating margin | 6.7% | 9.7% | 60 bps |

- **Revenues decreased 4%**
 - 1% decline excluding unfavorable FX of \$0.8 million
 - Lower defense program shipments
 - Higher fluid controls sales
- **Adjusted operating margin increased 60 bps**
 - Continued benefit from productivity and restructuring actions
 - Partially offset by lower volume and supplier quality impact

* Adjusted to exclude restructuring and special charges. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's third-quarter 2016 news release available on its website at www.CIRCOR.com

Q3 2016 Investor
Review



Q3 P&L Highlights

(in millions, except per share data)

| | Q3 2016 | | | Q3 2015 | | |
|------------------------------------|------------------|---------------------------------------|----------|------------------|---------------------------------------|----------|
| | Reported GAAP | Restructuring & Special Charges | Adjusted | Reported GAAP | Restructuring & Special Charges | Adjusted |
| Sales | 134.8 | - | 134.8 | 159.3 | - | 159.3 |
| Operating Income (Loss) | 3.5 | 4.7 | 8.2 | (3.5) | 19.7 | 16.2 |
| Net Interest (expense) | (0.6) | - | (0.6) | (0.8) | - | (0.8) |
| Other (Expense) Income | (0.2) | - | (0.2) | 0.6 | - | 0.6 |
| Pre-Tax Income (loss) | 2.7 | 4.7 | 7.5 | (3.8) | 19.7 | 15.9 |
| Benefit from (provision for) taxes | 1.7 | (1.5) | 0.2 | (4.3) | (1.0) | (5.3) |
| Net Income (loss) | 4.4 | 3.2 | 7.6 | (8.1) | 18.7 | 10.6 |
| Tax Rate | -61.0% | | -2.1% | -114.3% | | 33.2% |
| Diluted EPS | 0.27 | 0.19 | 0.46 | (0.49) | 1.13 | 0.64 |
| Weighted Avg. Diluted Shares | 16.6 | | 16.6 | 16.5 | | 16.5 |

Q3 2016 Investor
Review



Cash Flow and Debt Highlights

(\$ millions)

| | Q3 YTD 2016 | FY 2015 |
|---------------------------|-------------|-------------|
| Cash Flow from Operations | 39.0 | 27.1 |
| Capital Expenditures, net | (9.6) | (10.5) |
| Free Cash Flow | <u>29.4</u> | <u>16.6</u> |
| | | |
| | 2-Oct-16 | 31-Dec-15 |
| Total Debt | 92.4 | 90.5 |
| Cash and Cash Equivalents | <u>84.9</u> | <u>54.5</u> |
| Net Debt | <u>7.5</u> | <u>36.0</u> |
| Net Debt to Equity | 2% | 9% |

Q3 2016 Investor
Review



Q4 2016 Guidance as of October 28, 2016

(\$ millions, except per share data)

| | Q4 2016 | |
|---|----------|----------|
| | Low | High |
| Net Revenue | \$145 | \$155 |
| Expected Adjusted Earnings Per Share | \$0.35 | \$0.45 |
| Expected Special / Restructuring Charges Per Share: | | |
| - Restructuring charges | (\$0.02) | (\$0.01) |
| - Special charges – M&A related | (\$0.12) | (\$0.11) |
| - Special charges – non-cash pension settlement | (\$0.18) | (\$0.17) |

Earnings per share based on expected diluted common share count

Assumes current exchange rates and tax rate of 27% - 28%

Expected Special Charges – M&A related includes expected deal expenses related to Critical Flow Solutions and amortization of Schroedahl related intangibles. It does not reflect intangible amortization expense related to the acquisition of Critical Flow Solutions which will be recorded in the fourth quarter, the amount of which is not known at this time.

Q3 2016 Investor
Review



Restructuring Actions Summary

(\$ millions)

| | Annualized Savings | 2016 Savings | 2017 Savings | Status |
|---------------------------------|-----------------------|-----------------|-----------------|----------|
| Actions Announced in 2016 | 6 | 2 | 4 | Ongoing |
| Actions Announced in 2015 | 21 | 9 | - | Complete |
| A&D California Machining Center | 3 | 1 | 2 | Complete |
| Brazil (Operating loss) | 4 | 4 | - | Complete |
| China Operations | 2 | 1 | 1 | Ongoing |
| Total | 36 | 17 | 7 | |

Q3 2016 Investor
Review

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

