

**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): August 11, 2022



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, MA
(Address of principal executive offices)

01803-4238
(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:

- 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))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common stock, par value \$0.01 per share | CIR | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On August 11, 2022, CIRCOR International, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended April 3, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(e) In conjunction with the title changes described in Item 8.01 below, the Company’s Compensation Committee (the “Committee”) has approved the certain changes to Messrs. Najjar’s and Sharma’s compensation packages. For Mr. Najjar, the Committee approved an increase in base salary to \$665,000, per annum, and an increase in his annual short-term incentive bonus target to 75% of his base salary. His target long-term incentive award remains the same at \$500,000. For Mr. Sharma, the Committee approved an increase in base salary to \$499,000, per annum, and an increase in his annual short-term incentive bonus target to 65% of his base salary. His target long-term incentive award of \$400,000 remains unchanged. The change to Messrs. Najjar’s and Sharma’s base salary is effective August 22, 2022, and their short-term incentive target is effective for calendar year 2022.

Item 8.01. Other Events.

On August 10, 2022, the Company’s Board of Directors approved the change of Tony Najjar’s officer title to President & Chief Executive Officer and Arjun “AJ” Sharma’s officer title to Chief Financial Officer and Senior Vice President of Business Development. Mr. Najjar’s previous title was Chief Operating Officer and Interim President and Chief Executive Officer, and Mr. Sharma’s previous title was Senior Vice President of Business Development and Interim Chief Financial Officer. Mr. Najjar will continue to be the Company’s principal executive officer and Mr. Sharma will continue to be the Company’s principal financial officer for purposes of SEC public company disclosure rules.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

| | |
|----------------------|--|
| 99.1 | CIRCOR Reports First-Quarter 2022 Financial Results; Announces the Appointment of Tony Najjar as President and Chief Executive Officer and Arjun Sharma as Chief Financial Officer |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Labels Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

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.

August 11, 2022

CIRCOR INTERNATIONAL, INC.

/s/ Jessica W. Wenzell

Jessica W. Wenzell

General Counsel & Chief People Officer

Exhibit 99.1

CIRCOR Reports First-Quarter 2022 Financial Results; Announces the Appointment of Tony Najjar as President and Chief Executive Officer and Arjun Sharma as Chief Financial Officer

Burlington, Mass., August 11, 2022

CIRCOR International, Inc. (NYSE: CIR) (“CIRCOR” or “the Company”), one of the world’s leading providers of mission critical flow control products and services for the Industrial and Aerospace & Defense markets, today announced GAAP and adjusted financial results for the first quarter ended April 3, 2022. Results are in line with previously disclosed selected preliminary financial expectations.

Q1 2022 Overview Results As Reported:

- Orders of \$222 million, down (2%) reported and up 1% organically
 - Aerospace & Defense orders of \$78 million, up 7% reported and 8% organically
 - Industrial orders of \$144 million, down (7%) reported and (2%) organically
- Backlog of \$477 million, up 12% reported driven by strong demand in Industrial
- Revenue of \$186 million up 5% reported and 8% organically
 - Aerospace & Defense revenue of \$63 million, up 8% reported and 10% organically
 - Industrial revenue of \$122 million, up 4% reported and 8% organically
- GAAP operating (loss) of (\$11.8) million, down (124%) reported
- GAAP operating margin of (6.3%)
- Adjusted operating income \$10.4 million, up 53%
- Adjusted operating margin of 5.6%, up 180 bps

Q1 2022 Overview Results Excluding Pipeline Engineering:

- Orders of \$219 million, down (1%) adjusted and up 2% organically
 - Aerospace & Defense orders of \$78 million, up 7% adjusted and 8% organically
 - Industrial orders of \$141 million, down (5%) adjusted and flat organically
- Backlog of \$477 million, up 13% adjusted, driven by strong demand in Industrial
- Revenue of \$183 million up 5% adjusted and 9% organically
 - Aerospace & Defense revenue of \$63 million, up 8% adjusted and 10% organically
 - Industrial revenue of \$119 million, up 4% adjusted and 8% organically
- Adjusted operating income \$13.6 million, up 47% adjusted
- Adjusted operating margin of 7.4%, up 210 bps

CIRCOR President and CEO, Tony Najjar said, “Our team delivered solid first quarter 2022 results highlighted by continued strong orders performance in A&D and core Industrial businesses partially offset by lumpiness in our downstream business. Revenues for the quarter were up 9% organically excluding Pipeline Engineering, driven by both segments. Excluding Pipeline Engineering, adjusted operating income for the quarter was up 47% and adjusted operating margin up 210 basis points. With a focus on our strategic priorities driving value-based pricing, simplification and cost out actions, we continue to position the Company for growth, expanding margins and improving cash flow.”

**Selected Consolidated Results
(unaudited)**

| <i>(\$ millions except EPS)</i> | April 3, 2022 | As Restated April 4, 2021 | Change |
|---|---------------|------------------------------|----------|
| Orders | 221.6 | 226.7 | -2 % |
| Orders excluding Pipeline Engineering¹ | 219.4 | 221.2 | -1 % |
| Revenue | \$ 185.7 | \$ 176.5 | 5 % |
| Revenue excluding Pipeline Engineering¹ | 182.6 | 173.5 | 5 % |
| GAAP operating (loss) income | (11.8) | (5.3) | -124 % |
| Adjusted operating income² | 10.4 | 6.8 | 53 % |
| Adjusted operating income excluding Pipeline Engineering^{1,2} | 13.6 | 9.3 | 47 % |
| GAAP operating margin | -6.3 % | -3.0 % | -330 bps |
| Adjusted operating margin² | 5.6 % | 3.8 % | 180 bps |
| Adjusted operating margin excluding Pipeline Engineering^{1,2} | 7.4 % | 5.3 % | 210 bps |
| GAAP (loss) per share | \$ (1.06) | \$ (0.59) | -81 % |
| Adjusted earnings per share (diluted)² | \$ 0.05 | \$ 0.02 | 150 % |
| Operating cash flow | (15.9) | (19.2) | 17 % |
| Free cash flow³ | (19.5) | (22.6) | 14 % |

**Segment Results
(unaudited)**

| <i>(\$ in millions)</i> | April 3, 2022 | As Restated April 4, 2021 | Change |
|--|---------------|------------------------------|---------|
| Aerospace & Defense | | | |
| Orders | \$ 77.9 | \$ 73.0 | 7 % |
| Revenue | 63.4 | 58.5 | 8 % |
| Segment operating income | 11.3 | 10.0 | 13 % |
| Segment operating margin | 17.9 % | 17.1 % | 80 bps |
| Industrial | | | |
| Orders | \$ 143.7 | \$ 153.7 | -7 % |
| Orders - excluding Pipeline Engineering¹ | 141.5 | 148.2 | -5 % |
| Revenue | 122.3 | 118.0 | 4 % |
| Revenue - excluding Pipeline Engineering¹ | \$ 119.3 | \$ 115.0 | 4 % |
| Segment operating income | 6.9 | 5.8 | 18 % |
| Segment operating income excluding Pipeline Engineering | 10.0 | 8.3 | 20 % |
| Segment operating margin | 5.6 % | 4.9 % | 70 bps |
| Segment operating margin (adjusted) | 8.4 % | 7.2 % | 120 bps |

1. Orders, revenue, adjusted operating income and adjusted operating margin excluding Pipeline Engineering businesses are non-GAAP measures. Pipeline Engineering accounting irregularities were initially noted on March 14, 2022 8-K Filing and further described in the Company's Annual report Form 10-K filed with SEC on July 26, 2022 as related to the Industrial Segment.
2. Adjusted consolidated and segment results for Q1 2022 exclude net loss from non-cash acquisition-related intangible amortization and special and restructuring charges of \$22.2 million. These charges include: (i) \$10.4 million for non-cash acquisition-related intangible amortization and depreciation expense; (ii) \$8.7 million of restructuring costs associated with the exit of the Pipeline Engineering business; (iii) \$1.3 million costs due to the investigation into the accounting irregularities of the Pipeline Engineering business; (iv) \$0.9 million charge for severance related to the former CEO; and (v) \$0.9 million of other special and restructuring costs. Adjusted consolidated and segment results for Q1 2021 exclude net loss from discontinued operations of \$0.2 million and net loss from non-cash acquisition-related intangible amortization, special and restructuring

charges totaling \$12.1 million. These charges include: (i) \$12.9 million for non-cash acquisition-related intangible amortization and depreciation expense; and (ii) \$0.8 million of other special and restructuring expense.

3. 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.

Company Announces Executive Appointments

CIRCOR also announced that Tony Najjar has been appointed President & Chief Executive Officer, and Arjun “AJ” Sharma has been appointed Chief Financial Officer. Mr. Najjar, who joined the Company in 2015, has most recently served as the Chief Operating Officer and Interim President & Chief Executive Officer. Mr. Sharma, who joined the Company in 2009, has most recently served as Senior Vice President, Business Development and Interim Chief Financial Officer. Mr. Sharma will retain his leadership of business development in his new role.

“Since being appointed to their interim roles, Tony and AJ have demonstrated their ability to lead the Company through challenging times,” said Helmuth Ludwig, Chair of CIRCOR’s Board of Directors. “As the Board continues to evaluate strategic alternatives for the Company, we believe Tony and AJ are the right leaders for CIRCOR. While completing the accounting review that occurred earlier this year, they have also stabilized business operations, focused on employee engagement, strengthened customer relationships and are driving growth and margin expansion initiatives. We look forward to partnering with Tony and AJ to create value for our stakeholders.”

Use of Non-GAAP Financial Measures

In this press release, the Company uses the non-GAAP financial measures backlog, backlog excluding Pipeline Engineering, orders, orders excluding Pipeline Engineering, revenue excluding Pipeline Engineering, adjusted operating income, adjusted operating income excluding Pipeline Engineering, adjusted operating margin, adjusted operating margin excluding Pipeline Engineering, adjusted earnings per share and free cash flow. Non-GAAP financial measures are used by management in our financial and operating decision making because we believe they reflect our ongoing business and facilitate period-to-period comparisons. We believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating CIRCOR’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 CIRCOR’s current financial results with CIRCOR’s past financial results in a consistent manner.

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 and fixed-asset 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 up to 25 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. We exclude the results of discontinued operations. We exclude goodwill impairment charges. We exclude these costs because we do not believe they are indicative of our normal operating costs.

Due to the significance of recently sold or exited businesses and to provide a comparison of changes in our backlog, orders and revenue, we also discuss these changes on an “organic” basis. Organic is calculated

assuming the divestitures and/or exited business are completed prior to April 3, 2022 were completed on January 1, 2021 and excluding the impact of changes in foreign currency exchange rates.

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. 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 included in this news release.

About CIRCOR International, Inc.

CIRCOR International is one of the world's leading providers of mission critical flow control products and services for the Industrial and Aerospace & Defense markets. The Company has a product portfolio of market-leading brands serving its customers' most demanding applications. CIRCOR markets its solutions directly and through various sales partners to more than 14,000 customers in approximately 100 countries. The Company has a global presence with approximately 3,100 employees and is headquartered in Burlington, Massachusetts. For more information, visit the Company's investor relations website at <http://investors.circor.com>.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the expectations the Company describes in its forward-looking statements. Substantial 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. Important factors that could cause actual results to differ materially from expectations include, but are not limited to findings and conclusions of the Audit Committee's review; the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; the remediation of the material weaknesses in the Company's internal controls over financial reporting or other potential weaknesses of which the Company is not currently aware or which have not been detected; the timing of the Company regaining compliance with the NYSE's continued listing standards; the timing and outcome, if any, of the Company's strategic alternatives review and its exit from the Pipeline Engineering business unit; the impact on the Company of the situation in Russia and Ukraine; and the risks detailed from time to time in the Company's periodic reports filed with the SEC. Before making any investment decisions regarding CIRCOR, the Company strongly advises you to read the section entitled "Risk Factors" in its 2021 Annual Report on Form 10-K, which can be accessed under the "Investors" link of the Company's website at www.circor.com. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Contact:

Scott Solomon
Senior Vice President
Sharon Merrill Associates, Inc.
(857) 383-2409

CIRCOR INTERNATIONAL, INC
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data) (unaudited)

| | Three Months Ended | |
|---|--------------------|---------------------------|
| | April 3, 2022 | As Restated April 4, 2021 |
| Net revenues | \$ 185,655 | \$ 176,451 |
| Cost of revenues | 130,372 | 124,889 |
| Gross profit | 55,283 | 51,562 |
| Selling, general and administrative expenses | 58,069 | 57,637 |
| Special and restructuring charges (recoveries), net | 9,003 | (809) |
| Operating (loss) | (11,789) | (5,266) |
| Other expense (income): | | |
| Interest expense, net | 9,456 | 8,369 |
| Other (income) expense | (1,287) | (1,781) |
| Total other expense, net | 8,169 | 6,588 |
| (Loss) from continuing operations before income taxes | (19,958) | (11,854) |
| Provision for (benefit from) income taxes | 1,523 | (297) |
| (Loss) from continuing operations, net of tax | \$ (21,481) | \$ (11,557) |
| (Loss) from discontinued operations, net of tax | \$ — | \$ (239) |
| Net (loss) | \$ (21,481) | \$ (11,796) |
| Basic (loss) per common share: | | |
| Basic from continuing operations | \$ (1.06) | \$ (0.58) |
| Basic from discontinued operations | \$ — | \$ (0.01) |
| Net (loss) | \$ (1.06) | \$ (0.59) |
| Diluted (loss) per common share: | | |
| Diluted from continuing operations | \$ (1.06) | \$ (0.58) |
| Diluted from discontinued operations | \$ — | \$ (0.01) |
| Net (loss) | \$ (1.06) | \$ (0.59) |
| Weighted average common shares outstanding: | | |
| Basic | 20,310 | 20,054 |
| Diluted | 20,310 | 20,054 |

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

| | Three Months Ended | |
|---|---------------------------|----------------------------------|
| | April 3, 2022 | As Restated April 4, 2021 |
| OPERATING ACTIVITIES | | |
| Net (loss) | \$ (21,481) | \$ (11,796) |
| Income (loss) from discontinued operations, net of income taxes | — | (239) |
| (Loss) from continuing operations, net of tax | (21,481) | (11,557) |
| Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 5,000 | 6,509 |
| Amortization | 9,397 | 10,696 |
| Change in provision for bad debt expense | (89) | (465) |
| Write down of inventory | 439 | 188 |
| Compensation expense of share-based plans | (84) | 1,402 |
| Amortization of debt issuance costs | 514 | 995 |
| Deferred tax provision | — | (1,011) |
| (Gain) on sale of businesses | — | (1,947) |
| Other impairment charges | 8,011 | — |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | |
| Trade accounts receivable | 4,242 | (3,707) |
| Inventories | (15,465) | (8,255) |
| Prepaid expenses and other assets | (5,671) | (8,875) |
| Accounts payable, accrued expenses and other liabilities | (737) | (2,547) |
| Net cash used in continuing operations activities | (15,924) | (18,574) |
| Net cash used in discontinued operations activities | — | (636) |
| Net cash (used in) operating activities | (15,924) | (19,210) |
| INVESTING ACTIVITIES | | |
| Additions of property, plant and equipment | (3,607) | (3,394) |
| Proceeds from the sale of property, plant and equipment | 15 | 2 |
| Proceeds from beneficial interest of factored receivables | 927 | 812 |
| Proceeds from sale of business | — | 7,193 |
| Net cash (used in) provided by investing activities | (2,665) | 4,613 |
| FINANCING ACTIVITIES | | |
| Proceeds from long-term debt | 51,325 | 63,500 |
| Payments of long-term debt | (30,875) | (46,500) |
| Net Change in short-term borrowings | 925 | (22) |
| Proceeds from the exercise of stock options | — | 151 |
| Withholding tax payments on net share settlements on equity rewards | (821) | (3,274) |
| Net cash used in financing activities | 20,554 | 13,855 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (712) | (1,615) |
| INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 1,253 | (2,357) |
| Cash, cash equivalents and restricted cash at beginning of period | 61,374 | 68,607 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD | \$ 62,627 | \$ 66,250 |

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data) (unaudited)

| | April 3, 2022 | December 31, 2021 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 61,122 | \$ 59,924 |
| Trade accounts receivable, net | 95,638 | 100,149 |
| Inventories | 134,540 | 123,343 |
| Prepaid expenses and other current assets | 113,162 | 110,749 |
| Total Current Assets | 404,462 | 394,165 |
| PROPERTY, PLANT AND EQUIPMENT, NET | 150,546 | 154,461 |
| OTHER ASSETS: | | |
| Goodwill | 122,256 | 122,906 |
| Intangibles, net | 290,335 | 303,476 |
| Deferred income taxes | 764 | 756 |
| Other assets | 43,275 | 43,534 |
| TOTAL ASSETS | \$ 1,011,638 | \$ 1,019,298 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 83,134 | \$ 83,382 |
| Accrued expenses and other current liabilities | 75,711 | 81,998 |
| Accrued compensation and benefits | 30,560 | 26,551 |
| Short-term borrowings and current portion of long-term debt | 2,531 | 1,611 |
| Total Current Liabilities | 191,936 | 193,542 |
| LONG-TERM DEBT | 532,580 | 511,694 |
| DEFERRED INCOME TAXES | 21,283 | 21,721 |
| PENSION LIABILITY, NET | 119,170 | 120,881 |
| OTHER NON-CURRENT LIABILITIES | 36,348 | 37,744 |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, \$0.01 par value; 1,000,000 shares authorized; no shares issued and outstanding | — | — |
| Common stock, \$0.01 par value; 29,000,000 shares authorized; 21,683,147 and 21,633,131 shares issued at April 3, 2022 and December 31, 2021 respectively | 217 | 217 |
| Additional paid-in capital | 454,269 | 454,852 |
| Accumulated deficit | (219,562) | (198,081) |
| Common treasury stock, at cost (1,372,488 shares at April 3, 2022 and December 31, 2021) | (74,472) | (74,472) |
| Accumulated other comprehensive loss, net of tax | (50,131) | (48,800) |
| Total Shareholders' Equity | 110,321 | 133,716 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 1,011,638 | \$ 1,019,298 |

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

| | | Three Months Ended | |
|--------------------|----------------------|--------------------|---------------------------|
| | | April 3, 2022 | As Restated April 4, 2021 |
| ORDERS (1) | | | |
| | Aerospace & Defense | \$ 77.9 | \$ 73.0 |
| | Industrial | 143.7 | 153.7 |
| | Total Orders | \$ 221.6 | \$ 226.7 |
| BACKLOG (2) | | | |
| | Aerospace & Defense | \$ 199.7 | \$ 198.2 |
| | Industrial | 276.8 | 226.4 |
| | Total Backlog | \$ 476.5 | \$ 424.6 |

Note 1: Orders do not include the foreign exchange impact due to the re-measurement of customer backlog amounts denominated in foreign currencies. Industrial includes \$2.3 million and \$5.5 million orders in Pipeline Engineering for 2022 and 2021 respectively.

Note 2: Backlog is calculated as current period orders plus unshipped customer orders from prior periods for which revenue has not been recognized. Industrial includes \$1.2 million in Pipeline Engineering for 2021.

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

| As reported | 2021 As Restated | | | | | 2022 |
|---------------------------------|------------------|------------|------------|------------|------------|------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR |
| ORDERS | | | | | | |
| Aerospace & Defense | \$ 72,999 | \$ 54,243 | \$ 54,028 | \$ 73,898 | \$ 255,168 | \$ 77,890 |
| Industrial | 153,695 | 155,959 | 139,691 | 146,065 | 595,410 | 143,727 |
| Total | \$ 226,693 | \$ 210,203 | \$ 193,719 | \$ 219,964 | \$ 850,578 | \$ 221,617 |
| NET REVENUES | | | | | | |
| Aerospace & Defense | \$ 58,488 | \$ 60,613 | \$ 63,461 | \$ 69,979 | \$ 252,541 | \$ 63,370 |
| Industrial | 117,963 | 126,977 | 126,248 | 134,938 | 506,126 | 122,285 |
| Total | \$ 176,451 | \$ 187,590 | \$ 189,709 | \$ 204,917 | \$ 758,667 | \$ 185,655 |
| SEGMENT OPERATING INCOME | | | | | | |
| Aerospace & Defense | \$ 9,988 | \$ 11,741 | \$ 15,927 | \$ 18,416 | \$ 56,073 | \$ 11,320 |
| Industrial | 5,834 | 7,237 | 7,124 | 8,700 | 28,896 | 6,857 |
| Corporate expenses | (9,035) | (7,950) | (7,015) | (6,636) | (30,638) | (7,770) |
| Total | \$ 6,787 | \$ 11,028 | \$ 16,036 | \$ 20,480 | \$ 54,331 | \$ 10,407 |

SEGMENT OPERATING MARGIN %

| | | | | | | |
|---------------------|--------|--------|--------|--------|--------|--------|
| Aerospace & Defense | 17.1 % | 19.4 % | 25.1 % | 26.3 % | 22.2 % | 17.9 % |
| Industrial | 4.9 % | 5.7 % | 5.6 % | 6.4 % | 5.7 % | 5.6 % |
| Total | 3.8 % | 5.9 % | 8.5 % | 10.0 % | 7.2 % | 5.6 % |

| Pipeline Engineering (1) | 2021 As Restated | | | | | 2022 |
|--------------------------------------|------------------|------------|------------|------------|------------|------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR |
| ORDERS - Industrial | \$ 5,531 | \$ 5,192 | \$ 6,575 | \$ 7,121 | \$ 24,419 | \$ 2,260 |
| NET REVENUES - Industrial | \$ 2,994 | \$ 3,124 | \$ 3,236 | \$ 5,248 | \$ 14,602 | \$ 3,012 |
| SEGMENT OP. INC. - Industrial | \$ (2,479) | \$ (1,754) | \$ (2,470) | \$ (3,191) | \$ (9,893) | \$ (3,190) |

1) Excluding Pipeline Engineering business as related to the Industrial Segment with respect to accounting irregularities noted on March 14, 2022 8-K filing.

CIRCOR INTERNATIONAL, INC.
SUPPLEMENTAL INFORMATION REGARDING PIPELINE ENGINEERING
(in thousands, except percentages) (unaudited)

| Results excluding Pipeline Engineering | 2021 As Restated | | | | | 2022 | |
|--|------------------|------------|------------|------------|------------|------------|--|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | |
| ORDERS | | | | | | | |
| Aerospace & Defense | \$ 72,999 | \$ 54,243 | \$ 54,028 | \$ 73,898 | \$ 255,168 | \$ 77,890 | |
| Industrial | 148,164 | 150,767 | 133,116 | 138,944 | 570,991 | 141,467 | |
| Total | \$ 221,163 | \$ 205,010 | \$ 187,144 | \$ 212,842 | \$ 826,159 | \$ 219,357 | |
| NET REVENUES | | | | | | | |
| Aerospace & Defense | \$ 58,488 | \$ 60,613 | \$ 63,461 | \$ 69,979 | \$ 252,541 | \$ 63,370 | |
| Industrial | 114,969 | 123,853 | 123,012 | 129,690 | 491,524 | 119,273 | |
| Total | \$ 173,457 | \$ 184,466 | \$ 186,473 | \$ 199,669 | \$ 744,065 | \$ 182,643 | |
| SEGMENT OPERATING INCOME | | | | | | | |
| Aerospace & Defense | \$ 9,988 | \$ 11,741 | \$ 15,927 | \$ 18,416 | \$ 56,073 | \$ 11,320 | |
| Industrial | 8,313 | 8,991 | 9,594 | 11,891 | 38,789 | 10,047 | |
| Corporate expenses | (9,035) | (7,950) | (7,015) | (6,636) | (30,638) | (7,770) | |
| Total | \$ 9,266 | \$ 12,782 | \$ 18,506 | \$ 23,671 | \$ 64,224 | \$ 13,597 | |
| SEGMENT OPERATING MARGIN % | | | | | | | |
| Aerospace & Defense | 17.1 % | 19.4 % | 25.1 % | 26.3 % | 22.2 % | 17.9 % | |
| Industrial | 7.2 % | 7.3 % | 7.8 % | 9.2 % | 7.9 % | 8.4 % | |
| Total | 5.3 % | 6.9 % | 9.9 % | 11.9 % | 8.6 % | 7.4 % | |

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

| | 1ST QTR | 2ND QTR | 2021 As Restated | | TOTAL | 2022 1ST QTR |
|---|-------------|------------|------------------|------------|------------|-----------------|
| | | | 3RD QTR | 4TH QTR | | |
| Net Cash (Used In) Provided By Operating Activities | \$ (19,210) | \$ 8,866 | \$ 10,197 | \$ 10,595 | \$ 10,448 | \$ (15,924) |
| LESS | | | | | | |
| Capital expenditures, net of sale proceeds (a) | 3,392 | 2,644 | 4,541 | 4,168 | 14,745 | 3,592 |
| FREE CASH FLOW | \$ (22,602) | \$ 6,222 | \$ 5,656 | \$ 6,427 | \$ (4,297) | \$ (19,516) |
| <hr/> | | | | | | |
| Gross Debt | \$ 538,541 | \$ 524,391 | \$ 518,464 | \$ 526,311 | \$ 526,311 | \$ 546,775 |
| Less: Cash & Cash equivalents | 64,837 | 58,862 | 58,013 | 59,924 | 59,924 | 61,122 |
| GROSS DEBT, NET OF CASH | \$ 473,704 | \$ 465,529 | \$ 460,451 | \$ 466,387 | \$ 466,387 | \$ 485,653 |
| <hr/> | | | | | | |
| TOTAL SHAREHOLDERS' EQUITY | \$ 138,663 | \$ 122,185 | \$ 121,256 | \$ 133,716 | \$ 133,716 | \$ 110,321 |
| <hr/> | | | | | | |
| GROSS DEBT AS % OF EQUITY | 388 % | 429 % | 428 % | 394 % | 394 % | 496 % |
| GROSS DEBT, NET OF CASH AS % OF EQUITY | 342 % | 381 % | 380 % | 349 % | 349 % | 440 % |

(a) Includes capital expenditures, net of proceeds of asset sales from GAAP operating cash flow.

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING
PRINCIPLE TERMS

(in thousands, except percentages) (unaudited)

| | 2021 As Restated | | | | | 2022 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR |
| NET (LOSS) INCOME | \$ (11,796) | \$ (18,784) | \$ (2,630) | \$ (28,427) | \$ (61,638) | \$ (21,481) |
| LESS: | | | | | | |
| Restructuring related inventory charges (recoveries), net | — | 958 | (60) | (299) | 599 | 2,757 |
| Restructuring charges, net | 2,060 | 2,281 | (312) | 205 | 4,234 | 6,447 |
| Acquisition amortization | 10,487 | 10,498 | 10,417 | 10,369 | 41,772 | 9,391 |
| Acquisition depreciation | 2,375 | 1,327 | 1,412 | 1,397 | 6,511 | 1,045 |
| Special (recoveries) charges, net | (2,870) | 4,523 | 1,126 | 17,259 | 20,038 | 2,556 |
| Goodwill Impairment charge | — | — | — | 10,500 | 10,500 | — |
| Income tax impact | (44) | 2,425 | (596) | (1,622) | 163 | 384 |
| Net loss (income) from discontinued operations | 239 | 878 | (2,510) | (13) | (1,406) | — |
| ADJUSTED NET INCOME | \$ 451 | \$ 4,106 | \$ 6,847 | \$ 9,369 | \$ 20,773 | \$ 1,099 |
| (LOSS) EARNINGS PER COMMON SHARE (Diluted) | \$ (0.58) | \$ (0.91) | \$ (0.13) | \$ (1.38) | \$ (3.00) | \$ (1.06) |
| LESS: | | | | | | |
| Restructuring related inventory charges | — | 0.05 | — | (0.01) | 0.03 | 0.14 |
| Restructuring charges, net | 0.10 | 0.11 | (0.02) | 0.01 | 0.21 | 0.32 |
| Acquisition amortization | 0.51 | 0.51 | 0.51 | 0.51 | 2.04 | 0.46 |
| Acquisition depreciation | 0.12 | 0.06 | 0.07 | 0.07 | 0.32 | 0.05 |
| Special (recoveries) charges, net | (0.14) | 0.22 | 0.05 | 0.84 | 0.98 | 0.13 |
| Impairment charge | — | — | — | 0.51 | 0.51 | — |
| Income tax impact | — | 0.12 | (0.03) | (0.08) | 0.01 | 0.02 |
| (Loss) earnings per share from discontinued operations | 0.01 | 0.04 | (0.12) | — | (0.07) | — |
| ADJUSTED EARNINGS PER SHARE (Diluted) | \$ 0.02 | \$ 0.20 | \$ 0.33 | \$ 0.46 | \$ 1.01 | \$ 0.05 |

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING
PRINCIPLE TERMS

(in thousands, except percentages) (unaudited)

| | 2021 As Restated | | | | | 2022 |
|--|------------------|-------------|------------|-------------|-------------|-------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR |
| NET (LOSS) INCOME | \$ (11,796) | \$ (18,784) | \$ (2,629) | \$ (28,426) | \$ (61,635) | \$ (21,481) |
| LESS: | | | | | | |
| Interest expense, net | 8,369 | 7,958 | 7,997 | 8,040 | 32,365 | 9,456 |
| Depreciation | 6,509 | 5,460 | 5,536 | 5,348 | 22,854 | 5,000 |
| Amortization | 10,696 | 10,657 | 10,576 | 10,375 | 42,304 | 9,397 |
| Provision for income taxes | (297) | 2,659 | 850 | 1,970 | 5,182 | 1,523 |
| Loss (income) from discontinued operations | 239 | 878 | (2,510) | (13) | (1,406) | — |
| EBITDA | \$ 13,720 | \$ 8,828 | \$ 19,820 | \$ (2,706) | \$ 39,664 | \$ 3,895 |
| LESS: | | | | | | |
| Restructuring related inventory charges (recoveries) | — | 958 | (60) | (299) | 599 | 2,757 |
| Restructuring charges, net | 2,060 | 2,281 | (312) | 205 | 4,234 | 6,447 |
| Special (recoveries) charges, net | (2,870) | 4,523 | 1,126 | 17,259 | 20,038 | 2,556 |
| Goodwill impairment charge | — | — | — | 10,500 | 10,500 | — |
| ADJUSTED EBITDA | \$ 12,910 | \$ 16,590 | \$ 20,574 | \$ 24,959 | \$ 75,035 | \$ 15,655 |

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING
PRINCIPLE TERMS

(in thousands, except percentages) (unaudited)

| | 2021 As Restated | | | | | 2022 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR |
| GAAP OPERATING INCOME (LOSS) | \$ (5,266) | \$ (8,557) | \$ 3,451 | \$ (18,952) | \$ (29,323) | \$ (11,789) |
| LESS: | | | | | | |
| Restructuring related inventory charges (recoveries) | — | 958 | (60) | (299) | 599 | 2,757 |
| Restructuring charges, net | 2,060 | 2,281 | (312) | 205 | 4,234 | 6,447 |
| Acquisition amortization | 10,487 | 10,498 | 10,417 | 10,369 | 41,772 | 9,391 |
| Acquisition depreciation | 2,375 | 1,327 | 1,412 | 1,397 | 6,511 | 1,045 |
| Special (recoveries) charges, net | (2,870) | 4,523 | 1,126 | 17,259 | 20,038 | 2,556 |
| Goodwill impairment charge | — | — | — | 10,500 | 10,500 | — |
| ADJUSTED OPERATING INCOME | \$ 6,787 | \$ 11,029 | \$ 16,035 | \$ 20,479 | \$ 54,331 | \$ 10,407 |
| GAAP OPERATING MARGIN | (3.0)% | (4.6)% | 1.8 % | (9.2)% | (3.9)% | (6.3)% |
| LESS: | | | | | | |
| Restructuring related inventory charges (recoveries) | — % | 0.5 % | — % | (0.1)% | 0.1 % | 1.5 % |
| Restructuring charges, net | 1.2 % | 1.2 % | (0.2)% | 0.1 % | 0.6 % | 3.5 % |
| Acquisition amortization | 5.9 % | 5.6 % | 5.5 % | 5.1 % | 5.5 % | 5.1 % |
| Acquisition depreciation | 1.3 % | 0.7 % | 0.7 % | 0.7 % | 0.9 % | 0.6 % |
| Special (recoveries) charges, net | (1.6)% | 2.4 % | 0.6 % | 8.4 % | 2.6 % | 1.4 % |
| Goodwill impairment charge | — % | — % | — % | 5.1 % | 1.4 % | — % |
| ADJUSTED OPERATING MARGIN | 3.8 % | 5.9 % | 8.5 % | 10.0 % | 7.2 % | 5.6 % |

Note regarding financial statements: Restated amounts are computed independently each quarter; therefore, the sum of the quarterly amounts may not equal the total amount for the respective year due to rounding.