

**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 25, 2019**

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

**DELAWARE**  
(State or other jurisdiction  
of incorporation)

**001-14962**  
(Commission  
file number)

**04-3477276**  
(IRS 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)

Securities registered pursuant to Section 12 (b) of the Act:  
Common Stock, par value \$0.01 per share (registered on the New York Stock Exchange), trading symbol CIR  
Securities registered pursuant to Section 12 (g) of the Act: None

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))

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.

By press release dated April 25, 2019, CIRCOR International, Inc. (the “Company”) announced its financial results for the three months ended March 31, 2019. 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 and 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 facilitates 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, net debt, combined financial information, and organic revenue, described as follows:

- Adjusted operating income is defined as GAAP operating income excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, depreciation and cost of goods sold charges related to step-up valuations from acquisitions completed subsequent to December 31, 2016, 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, depreciation and cost of goods sold charges related to step-up valuations from acquisitions completed subsequent to December 31, 2016, the impact of restructuring related inventory, impairment and special charges or gains, 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, depreciation and cost of goods sold charges related to step-up valuations from acquisitions completed subsequent to December 31, 2016, the impact of restructuring related inventory, impairment and special charges or gains, 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, cost of goods sold charges related to step-up valuations from acquisitions completed subsequent to December 31, 2016, and impairments, net of tax.
- Net Debt is defined as total debt minus cash and cash equivalents.
- Combined financial information - Combined segment revenue, combined segment operating income and combined segment operating margin represent the historical CIRCOR segment revenue, segment operating income and segment operating margins all adjusted to include the respective amount related to the Fluid Handling acquisition as though the acquisition was completed on January 1, 2017.
- Organic growth - the change in revenue and orders excluding the impact of acquisitions and changes in foreign exchange rates.
- Pro Forma Organic Growth - revenue and orders growth excluding the impact of changes in foreign exchange rates and assuming the Fluid Handling acquisition occurred on January 1, 2017.

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 reflect our ongoing business and facilitate 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.*

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
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<a href="#"><u>99.1</u></a>	Press Release regarding Earnings
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<a href="#"><u>99.2</u></a>	First Quarter 2019 Investor Review Presentation
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## 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 25, 2019

**CIRCOR INTERNATIONAL, INC.**

/s/ David F. Mullen

By: David F. Mullen

Title: Senior Vice President and Corporate Controller

## CIRCOR Reports First-Quarter 2019 Financial Results

**Burlington, MA - April 25, 2019** - CIRCOR International, Inc. (NYSE: CIR), a leading provider of flow control solutions and other highly engineered products for the Industrial, Energy and Aerospace & Defense markets, today announced financial results for the first quarter ended March 31, 2019.

### First-Quarter 2019 Highlights

- *Orders of \$280 million, down 14% on a reported basis and down 6% on an organic basis*
- *Orders in A&D segment grew nearly 50% year over year*
- *Revenue of \$270 million, down 2% on a reported basis and up 8% on an organic basis*
- *GAAP Operating Margin of 2.9%; GAAP Loss per Share of \$(0.42)*
- *Adjusted Operating Margin of 7.6%; Adjusted Earnings per Share of \$0.38*
- *Fluid Handling integration remains on track*
- *Completed sale of Reliability Services business for cash proceeds of \$85 million*
- *Debt pay down of \$53 million*

“We reported solid first-quarter 2019 results with 8% organic revenue growth,” said Scott Buckhout, President and Chief Executive Officer. “All three of our business segments grew in the quarter and the outlook for the majority of our end-markets remains positive. We anticipate improving results through the year as we benefit from higher volume, price increases and additional integration savings.

“During the quarter we made significant progress transitioning production to our low-cost manufacturing facilities around the world,” continued Mr. Buckhout. “Our Refinery Valve product line is ramping up in India; several Aerospace platforms were moved to Morocco; and our low-cost facility in Monterrey is now the primary source of production for Distributed Valves in North America.

“De-levering the Company remains a top priority. We reduced our debt by \$53 million in the first quarter,” said Mr. Buckhout. “We expect strong free cash flow for the year and we continue to evaluate the sale of non-core businesses to further simplify the Company and accelerate the reduction of outstanding debt.

“Looking ahead, we continue to focus on creating long-term value for shareholders by investing in growth, expanding margins, generating strong free cash flow, and de-levering the Company,” concluded Mr. Buckhout.

### Second-Quarter 2019 Guidance

For the second quarter of 2019, CIRCOR expects revenue in the range of \$270 million to \$280 million, and GAAP loss per share in the range of \$(0.13) to \$(0.03), which reflects acquisition-related amortization expense of \$(0.49) and other special and restructuring charges of \$(0.04) to \$(0.02). Excluding the impact of amortization, special and restructuring (charges) gains, adjusted EPS is expected to be in the range of \$0.40 to \$0.48 per share. Presentation slides that provide supporting information to this guidance and first-quarter results are posted on the “Investors” section of the Company’s website, <http://investors.circor.com>, and will be discussed during the conference call at 9:00 a.m. ET tomorrow, April 26, 2019.

## Selected Consolidated Results (unaudited)

(\$ millions except EPS)	Q1 2019	Q1 2018	Change
Revenue	\$ 270.4	\$ 275.6	(2)%
Revenue excluding divested business <sup>1</sup>	\$ 267.3	257.0	4%
GAAP Operating (Loss) Income	\$ 7.9	\$ (13.4)	N/M
Adjusted Operating Income <sup>2</sup>	\$ 20.2	\$ 19.8	1%
GAAP Operating Margin	2.9%	(4.9)%	N/M
Adjusted Operating Margin <sup>2</sup>	7.6%	7.2%	40 bps
GAAP (Loss) Earnings Per Share (Diluted)	\$ (0.42)	\$ (0.88)	N/M
Adjusted Earnings Per Share (Diluted) <sup>2</sup>	\$ 0.38	\$ 0.40	(8)%
Operating Cash Flow	\$ (21.7)	\$ (0.1)	N/M
Free Cash Flow <sup>3</sup>	\$ (25.5)	\$ (8.3)	N/M
Orders	\$ 279.6	\$ 326.2	(14)%
Orders excluding divested business <sup>1</sup>	\$ 275.5	304.4	(9)%

## Segment Results

(\$ millions)	Q1 2019	Q1 2018	Change
<b>Energy</b>			
Revenue	\$ 98.4	\$ 100.0	(2)%
Revenue excluding divested business <sup>1</sup>	\$ 95.3	85.2	12%
Segment Operating Income	\$ 6.8	\$ 5.7	19%
Segment Operating Margin	7.1%	5.7%	140 bps
Orders	\$ 67.8	\$ 129.8	(48)%
Orders excluding divested business <sup>1</sup>	\$ 63.7	\$ 112.9	(44)%
<b>Aerospace &amp; Defense</b>			
Revenue	\$ 61.2	\$ 58.5	5%
Segment Operating Income	\$ 9.4	\$ 8.9	6%
Segment Operating Margin	15.3%	15.3%	0 bps
Orders	\$ 88.1	\$ 59.8	47%
<b>Industrial</b>			
Revenue	\$ 110.7	\$ 117.1	(5)%
Revenue excluding divested business <sup>1</sup>	\$ 110.7	\$ 113.2	(2)%
Segment Operating Income	\$ 10.8	\$ 12.9	(16)%
Segment Operating Margin	9.7%	11.1%	(140) bps
Orders	\$ 123.7	\$ 136.6	(9)%
Orders excluding divested business <sup>1</sup>	\$ 123.7	\$ 131.8	(6)%

1. Orders and revenue excluding divested businesses is a non-GAAP measure and is calculated by subtracting the orders and revenues generated by the divested businesses during the periods prior to their divestiture from the reported orders and revenues.
2. Adjusted Consolidated and Segment Results for Q1 2019 exclude non-cash acquisition-related intangible amortization, special and restructuring charges totaling \$12.3 million (\$16.0 million, net of tax). These charges include: (i) \$13.2 million charge for non-cash acquisition-related intangible amortization and depreciation expense (ii) \$2.8 million for restructuring-related inventory charges (iii) \$1.8 million loss from the business divested in January (iv) \$1.1 million of other special and restructuring charges, and (v) a gain of \$6.6 million in the quarter related to the sale of businesses. Adjusted Consolidated and Segment Results for Q1 2018 exclude non-cash acquisition-related intangible amortization, special and restructuring charges totaling \$33.2 million (\$25.5 million, net of tax). These charges include: (i) \$20.2 million charge for non-cash acquisition-related intangible amortization expense, including the amortization of a step-up in fair value of inventories (\$6.6 million); (ii) \$10.5 million charge related to restructuring activities, primarily severance, related to our Engineered Valves, Reliability Services and Germany-based Pumps business; and (iii) \$2.5 million related to the separation of Fluid Handling business from Colfax Corporation.

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.*

### **Conference Call Information**

CIRCOR International will hold a conference call to review its financial results at 9:00 a.m. ET tomorrow, April 26, 2019. To listen to the live conference call and view the accompanying presentation slides, please visit “Webcasts & Presentations” in the “Investors” portion of CIRCOR’s website. The live call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. The webcast will be archived on the Company’s website for one year.

### **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, free cash flow, organic growth, pro forma combined amounts and pro forma organic growth 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 reflect our ongoing business and facilitate 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 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.
- Due to the significance of recently sold businesses and to provide a comparison of changes in our orders and revenue, we also discuss these changes on an “organic” basis. Organic is calculated assuming the divestures were completed on January 1, 2018 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 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 included in this news release.

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E 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 second-quarter 2019 guidance, our future performance, including realization of cost reductions from restructuring activities and expected synergies, plans to reduce our outstanding debt and our corporate priorities. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to vary from expectations include, but are not limited to: our ability to respond to competitive developments and to grow our business, both domestically and internationally; changes in the cost, quality or supply of raw materials; our ability to comply with our debt obligations; our ability to successfully implement our acquisition, divestiture or restructuring strategies, including our integration of the Fluid Handling business; changes in industry standards, trade policies or government regulations, both in the United States and internationally; and our ability to operate our manufacturing facilities at current or higher levels and respond to increases in manufacturing costs. 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](http://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 differentiated technology products and sub-systems for markets including oil & gas, industrial, aerospace & defense and commercial marine. CIRCOR has a diversified flow and motion control product portfolio with recognized, market-leading brands that fulfill its customers' mission critical 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 talent. For more information, visit the Company's investor relations website at <http://investors.circor.com>.

### **Contact:**

David F. Mullen  
Senior Vice President Finance  
CIRCOR International  
(781) 270-1200

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

	Three Months Ended	
	March 31, 2019	April 1, 2018
Net revenues	\$ 270,395	\$ 275,580
Cost of revenues	196,526	199,276
GROSS PROFIT	73,869	76,304
Selling, general and administrative expenses	69,719	77,238
Special and restructuring (recoveries) charges, net	(3,779)	12,446
OPERATING INCOME	7,929	(13,380)
Other expense (income):		
Interest expense, net	13,179	11,801
Other income expense, net	(1,913)	(1,861)
TOTAL OTHER EXPENSE, NET	11,266	9,940
LOSS BEFORE INCOME TAXES	(3,337)	(23,320)
Provision for (benefit from) income taxes	5,095	(5,879)
NET LOSS	\$ (8,432)	\$ (17,441)
Loss per common share:		
Basic	\$ (0.42)	\$ (0.88)
Diluted	\$ (0.42)	\$ (0.88)
Weighted average number of common shares outstanding:		
Basic	20,195	19,806
Diluted	20,195	19,806

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

	<b>Three Months Ended</b>	
	<b>March 31, 2019</b>	<b>April 1, 2018</b>
<b>OPERATING ACTIVITIES</b>		
Net Loss	\$ (8,432)	\$ (17,441)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	5,944	7,334
Amortization	12,906	12,329
Bad debt expense	109	261
Loss on write down of inventory	3,043	963
Amortization of inventory fair value step-up	—	6,600
Compensation expense for share-based plans	1,422	1,365
Amortization of inventory fair value step-up	—	881
Loss on sale or write-down of property, plant and equipment	—	1,284
Gain on sale of business	(6,569)	—
Changes in operating assets and liabilities, net of effects of acquisition and divestitures:		
Trade accounts receivable	(5,758)	22,038
Inventories	(1,108)	(14,850)
Other current assets and liabilities	(23,243)	(20,909)
Net cash used in operating activities	(21,686)	(145)
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(3,879)	(8,234)
Proceeds from the sale of property, plant and equipment	28	93
Proceeds from the sale of business, net	83,321	—
Net cash provided by (used in) investing activities	79,470	(8,141)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	87,400	71,950
Payments of short-term and long-term debt	(140,500)	(44,106)
Proceeds from the exercise of stock options	—	301
Return of cash to Fluid Handling Seller	—	(7,905)
Net cash (used in) provided by financing activities	(53,100)	20,240
Effect of exchange rate changes on cash, cash equivalents and restricted cash	426	956
<b>INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>5,110</b>	<b>12,910</b>
Cash, cash equivalents, and restricted cash at beginning of period	69,525	112,293
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 74,635</b>	<b>\$ 125,203</b>

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

	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 73,619	\$ 68,517
Trade accounts receivable, less allowance for doubtful accounts	188,500	183,552
Inventories	217,991	217,378
Prepaid expenses and other current assets	89,904	90,659
Assets held for sale	4,623	87,940
<b>Total Current Assets</b>	<b>574,637</b>	<b>648,046</b>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>198,148</b>	<b>201,799</b>
<b>OTHER ASSETS:</b>		
Goodwill	476,562	459,205
Intangibles, net	422,302	441,302
Deferred income taxes	25,632	28,462
Other assets	35,483	12,798
<b>TOTAL ASSETS</b>	<b>\$ 1,732,764</b>	<b>\$ 1,791,612</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 122,277	\$ 123,881
Accrued expenses and other current liabilities	99,771	107,312
Accrued compensation and benefits	27,251	33,878
Liabilities held for sale	—	11,141
Current portion of long-term debt	—	7,850
<b>Total Current Liabilities</b>	<b>249,299</b>	<b>284,062</b>
<b>LONG-TERM DEBT</b>	<b>733,666</b>	<b>778,187</b>
<b>DEFERRED INCOME TAXES</b>	<b>33,780</b>	<b>33,932</b>
<b>PENSION LIABILITY, NET</b>	<b>146,854</b>	<b>150,623</b>
<b>OTHER NON-CURRENT LIABILITIES</b>	<b>37,832</b>	<b>15,815</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>531,333</b>	<b>528,993</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,732,764</b>	<b>\$ 1,791,612</b>

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

	Three Months Ended	
	March 31, 2019	April 1, 2018
<b>ORDERS (1)</b>		
Energy	\$ 67.8	\$ 129.8
Aerospace & Defense	88.1	59.8
Industrial	123.7	136.6
Total orders	<u>\$ 279.6</u>	<u>\$ 326.2</u>
<b>BACKLOG (2)</b>		
Energy	\$ 140.3	\$ 224.1
Aerospace & Defense	206.5	165.8
Industrial	174.2	170.6
Total backlog	<u>\$ 521.0</u>	<u>\$ 560.5</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. Q1 2019 and 2018 orders include \$4.1 million and \$21.7 million, respectively, related to divested businesses.

Note 2: Backlog includes unshipped customer orders for which revenue has not been recognized. Backlog at Q1 2018 includes \$25.6 million related to divested businesses.

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

	2018					2019
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
<b>ORDERS</b>						
Energy	\$ 129,762	\$ 113,171	\$ 110,987	\$ 97,990	\$ 451,910	\$ 67,770
Aerospace & Defense	59,793	59,441	81,533	76,702	277,469	88,107
Industrial	136,607	136,746	114,876	121,886	510,115	123,746
<b>Total</b>	<b>\$ 326,162</b>	<b>\$ 309,358</b>	<b>\$ 307,396</b>	<b>\$ 296,578</b>	<b>\$ 1,239,494</b>	<b>\$ 279,623</b>

**NET REVENUES**

Energy	\$ 99,972	\$ 112,804	\$ 121,023	\$ 117,433	\$ 451,232	\$ 98,417
Aerospace & Defense	58,477	57,500	57,757	63,283	237,017	61,240
Industrial	117,131	131,064	118,734	120,647	487,576	110,738
<b>Total</b>	<b>\$ 275,580</b>	<b>\$ 301,368</b>	<b>\$ 297,514</b>	<b>\$ 301,363</b>	<b>\$ 1,175,825</b>	<b>\$ 270,395</b>

**SEGMENT OPERATING INCOME**

Energy	\$ 5,696	\$ 9,242	\$ 9,163	\$ 9,396	\$ 33,497	\$ 6,783
Aerospace & Defense	8,931	6,992	8,709	11,415	36,047	9,374
Industrial	12,948	15,037	14,609	14,746	57,340	10,787
Corporate expenses	(7,802)	(6,448)	(8,034)	(8,015)	(30,299)	(6,705)
<b>Adjusted Operating Income</b>	<b>\$ 19,773</b>	<b>\$ 24,823</b>	<b>\$ 24,447</b>	<b>\$ 27,542</b>	<b>\$ 96,585</b>	<b>\$ 20,239</b>

**SEGMENT OPERATING MARGIN %**

Energy	5.7%	8.2%	7.6%	8.0%	7.4%	6.9%
Aerospace & Defense	15.3%	12.2%	15.1%	18.0%	15.2%	15.3%
Industrial	11.1%	11.5%	12.3%	12.2%	11.8%	9.7%
<b>CIRCOR Adjusted Operating Margin</b>	<b>7.2%</b>	<b>8.2%</b>	<b>8.2%</b>	<b>9.1%</b>	<b>8.2%</b>	<b>7.5%</b>

**SEGMENT OPERATING MARGIN % EXCLUDING  
DIVESTITURES**

Energy	6.7%	7.5%	6.0%	7.8%	7.0%	7.1%
Aerospace & Defense	15.3%	12.2%	15.1%	18.0%	15.2%	15.3%
Industrial	11.4%	11.9%	12.8%	12.7%	12.2%	9.7%
<b>CIRCOR Adjusted Operating Margin Excluding Divestitures</b>	<b>7.7%</b>	<b>8.2%</b>	<b>7.9%</b>	<b>9.3%</b>	<b>8.3%</b>	<b>7.6%</b>

**CIRCOR INTERNATIONAL INC.**  
**SUPPLEMENTAL INFORMATION REGARDING DIVESTED BUSINESSES**  
(in thousands)  
**UNAUDITED**

<u><b>DIVESTED BUSINESSES</b></u>	2018					2019
	1st QTR	2nd QTR	3rd QTR	4th QTR	Total	1st QTR
<b>ORDERS</b>						
Energy	\$ 16,891	\$ 18,389	\$ 19,145	\$ 15,451	\$ 69,875	\$ 4,104
Industrial	4,848	4,484	2,302	4,796	16,430	—
CIRCOR	\$ 21,738	\$ 22,873	\$ 21,446	\$ 20,247	\$ 86,305	\$ 4,104
<b>NET REVENUES</b>						
Energy	\$ 14,731	\$ 17,419	\$ 16,579	\$ 16,885	\$ 65,613	\$ 3,106
Industrial	3,897	1,499	2,070	3,846	11,312	—
CIRCOR	\$ 18,628	\$ 18,918	\$ 18,649	\$ 20,731	\$ 76,925	\$ 3,106
<b>SEGMENT OPERATING INCOME</b>						
Energy	\$ 8	\$ 2,085	\$ 2,905	\$ 1,597	\$ 6,596	\$ —
Industrial	79	(427)	(371)	(78)	(798)	—
CIRCOR	\$ 87	\$ 1,658	\$ 2,534	\$ 1,519	\$ 5,798	\$ —

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

	2018					2019
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ (145)</b>	<b>\$ (465)</b>	<b>\$ 24,073</b>	<b>\$ 30,531</b>	<b>\$ 53,994</b>	<b>\$ (21,686)</b>
LESS:						
Capital expenditures, net of sale proceeds	8,141	3,563	5,119	6,534	23,357	3,851
<b>FREE CASH FLOW</b>	<b>\$ (8,286)</b>	<b>\$ (4,028)</b>	<b>\$ 18,954</b>	<b>\$ 23,997</b>	<b>\$ 30,637</b>	<b>\$ (25,537)</b>
<b>GROSS DEBT</b>	<b>\$ 823,665</b>	<b>\$ 827,629</b>	<b>\$ 831,613</b>	<b>\$ 807,050</b>	<b>\$ 807,050</b>	<b>\$ 753,950</b>
LESS: Cash & cash equivalents	123,305	69,030	71,334	68,517	68,517	73,619
<b>GROSS DEBT, NET OF CASH</b>	<b>\$ 700,360</b>	<b>\$ 758,599</b>	<b>\$ 760,279</b>	<b>\$ 738,533</b>	<b>\$ 738,533</b>	<b>\$ 680,331</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 592,096</b>	<b>\$ 573,992</b>	<b>\$ 574,171</b>	<b>\$ 528,993</b>	<b>\$ 528,993</b>	<b>\$ 531,333</b>
<b>GROSS DEBT AS % OF EQUITY</b>	<b>139%</b>	<b>144%</b>	<b>145%</b>	<b>153%</b>	<b>153%</b>	<b>142%</b>
<b>GROSS DEBT, NET OF CASH AS % OF EQUITY</b>	<b>118%</b>	<b>132%</b>	<b>132%</b>	<b>140%</b>	<b>140%</b>	<b>128%</b>



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

	2018					2019
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
<b>NET INCOME (LOSS)</b>	\$ (17,441)	\$ 5,902	\$ (6,841)	\$ (21,005)	\$ (39,385)	\$ (8,432)
LESS:						
Restructuring related inventory charges	473	1,067	—	864	2,404	2,818
Amortization of inventory step-up	6,600	—	—	—	6,600	—
Restructuring charges, net	9,615	844	1,348	944	12,751	863
Acquisition amortization	11,797	11,767	11,733	12,012	47,309	12,148
Acquisition depreciation	1,837	1,735	1,742	1,735	7,049	1,123
Special charges (recoveries), net	2,831	1,156	1,408	5,692	11,087	(4,641)
Income tax impact	(7,687)	(11,056)	967	12,124	(5,652)	3,766
<b>ADJUSTED NET INCOME</b>	<b>\$ 8,025</b>	<b>\$ 11,415</b>	<b>\$ 10,357</b>	<b>\$ 12,366</b>	<b>\$ 42,163</b>	<b>\$ 7,645</b>
<b>EARNINGS (LOSS) PER COMMON SHARE (Diluted)</b>	<b>\$ (0.88)</b>	<b>\$ 0.30</b>	<b>\$ (0.34)</b>	<b>\$ (1.05)</b>	<b>\$ (1.97)</b>	<b>\$ (0.42)</b>
LESS:						
Restructuring related inventory charges	0.02	0.05	—	0.04	0.12	0.14
Amortization of inventory step-up	0.33	—	—	—	0.33	—
Restructuring charges, net	0.49	0.04	0.07	0.05	0.64	0.04
Acquisition amortization	0.60	0.59	0.59	0.60	2.37	0.60
Acquisition depreciation	0.09	0.09	0.09	0.09	0.35	0.06
Special charges (recoveries), net	0.14	0.06	0.07	0.29	0.55	(0.23)
Income tax impact	(0.39)	(0.55)	0.05	0.61	(0.28)	0.19
<b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>	<b>\$ 0.40</b>	<b>\$ 0.57</b>	<b>\$ 0.52</b>	<b>\$ 0.62</b>	<b>\$ 2.11</b>	<b>\$ 0.38</b>

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

	2018					2019
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
<b>NET INCOME (LOSS)</b>	\$ (17,441)	\$ 5,902	\$ (6,841)	\$ (21,005)	\$ (39,384)	\$ (8,432)
LESS:						
Interest expense, net	(11,801)	(13,755)	(14,100)	(13,257)	(52,913)	(13,179)
Depreciation	(7,334)	(7,157)	(7,065)	(7,198)	(28,754)	(5,944)
Amortization	(12,329)	(12,282)	(12,234)	(12,410)	(49,255)	(12,636)
Benefit from (provision for) income taxes	5,879	7,646	(2,537)	(14,278)	(3,290)	(5,095)
<b>EBITDA</b>	\$ 8,144	\$ 31,450	\$ 29,095	\$ 26,138	\$ 94,828	\$ 28,422
LESS:						
Restructuring related inventory charges	(473)	(1,067)	—	(864)	(2,404)	(2,818)
Amortization of inventory step-up	(6,600)	—	—	—	(6,600)	—
Restructuring charges, net	(9,615)	(844)	(1,348)	(944)	(12,751)	(863)
Special (charges) recoveries, net	(2,831)	(1,156)	(1,408)	(5,692)	(11,087)	4,641
<b>ADJUSTED EBITDA</b>	\$ 27,663	\$ 34,517	\$ 31,851	\$ 33,638	\$ 127,669	\$ 27,462

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

	2018					2019
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR
<b>GAAP OPERATING INCOME (LOSS)</b>	\$ (13,380)	\$ 8,252	\$ 8,216	\$ 6,296	\$ 9,384	\$ 7,929
LESS:						
Restructuring related inventory charges	473	1,067	—	864	2,404	2,818
Amortization of inventory step-up	6,600	—	—	—	6,600	—
Restructuring charges, net	9,615	844	1,348	944	12,751	863
Acquisition amortization	11,797	11,767	11,733	12,012	47,309	12,148
Acquisition depreciation	1,837	1,735	1,742	1,735	7,049	1,123
Special charges (recoveries), net	2,831	1,156	1,408	5,692	11,087	(4,641)
<b>ADJUSTED OPERATING INCOME</b>	<b>\$ 19,773</b>	<b>\$ 24,821</b>	<b>\$ 24,447</b>	<b>\$ 27,543</b>	<b>\$ 96,584</b>	<b>\$ 20,240</b>
<b>GAAP OPERATING MARGIN</b>	(4.9)%	2.7%	2.8 %	2.1%	0.8%	2.9 %
LESS:						
Restructuring related inventory charges	0.2 %	0.4%	— %	0.3%	0.2%	1.0 %
Amortization of inventory step-up	2.4 %	—%	— %	—%	0.6%	— %
Restructuring charges, net	3.5 %	0.3%	0.5 %	0.3%	1.1%	0.3 %
Acquisition amortization	4.3 %	3.9%	3.9 %	4.0%	4.0%	4.5 %
Acquisition depreciation	0.7 %	0.6%	0.6 %	0.6%	0.6%	0.4 %
Special charges (recoveries), net	1.0 %	0.4%	0.5 %	1.9%	0.9%	(1.7)%
<b>ADJUSTED OPERATING MARGIN</b>	<b>7.2 %</b>	<b>8.2%</b>	<b>8.2 %</b>	<b>9.1%</b>	<b>8.2%</b>	<b>7.5 %</b>
Impact of Divestitures	0.5 %	—%	(0.3)%	0.2%	0.1%	0.1 %
<b>ADJUSTED OPERATING MARGIN EXCLUDING DIVESTITURES</b>	<b>7.7 %</b>	<b>8.2%</b>	<b>7.9 %</b>	<b>9.3%</b>	<b>8.3%</b>	<b>7.6 %</b>

**CIRCOR INTERNATIONAL, INC.**  
**Q1 2019 Organic Growth Calculations**  
(in thousands, except percentages)  
**UNAUDITED**

	Industrial		Energy		Aerospace & Defense		CIRCOR	
<b>ORDERS</b>	\$	%	\$	%	\$	%	\$	%
Q1 2018	\$ 136.6		\$ 129.8		\$ 59.8		\$ 326.2	
Divestitures	(4.8)		(16.9)		0		(21.7)	
Q1 2018 Excluding Divestitures	131.8		112.9		59.8		304.4	
Organic	(1.3)	-1%	(48.0)	-42%	29.7	50%	(19.5)	-6%
Acquisition / Divestiture	0	0%	4.1	4%	0	0%	4.1	1%
FX	(6.8)	-5%	(1.3)	-1%	(1.4)	-2%	(9.4)	-3%
Total Change Excluding Divestitures	(8.0)	-6%	(45.1)	-40%	28.3	47%	(24.8)	-8%
Q1 2019	<u>\$ 123.7</u>		<u>\$ 67.8</u>		<u>\$ 88.1</u>		<u>\$ 279.6</u>	
	Industrial		Energy		Aerospace & Defense		CIRCOR	
<b>NET REVENUE</b>	\$	%	\$	%	\$	%	\$	%
Q1 2018	\$ 117.1		\$ 100.0		\$ 58.5		\$ 275.6	
Divestitures	(3.9)		(14.7)		0		(18.6)	
Q1 2018 Excluding Divestitures	113.2		85.2		58.5		257.0	
Organic	3.8	3%	12.1	14%	4.0	7%	20.0	8%
Acquisition / Divestiture	0	0%	3.1	4%	0	0%	3.1	1%
FX	(6.3)	-6%	(2.1)	-2%	(1.3)	-2%	(9.6)	-4%
Total Change Excluding Divestitures	(2.5)	-2%	13.2	15%	2.7	5%	13.5	5%
Q1 2019	<u>\$ 110.7</u>		<u>\$ 98.4</u>		<u>\$ 61.2</u>		<u>\$ 270.4</u>	



Energy  
Aerospace & Defense  
Industrial

## First Quarter 2019 Investor Review

Presented April 26, 2019

*This presentation contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E 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 second-quarter 2019 guidance, our future performance, including realization of cost reductions from restructuring activities and expected synergies, and our corporate priorities. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to vary from expectations include, but are not limited to: our ability to respond to competitive developments and to grow our business, both domestically and internationally; changes in the cost, quality or supply of raw materials; our ability to comply with our debt obligations; our ability to successfully implement our acquisition, divestiture or restructuring strategies, including our integration of the Fluid Handling business; changes in industry standards, trade policies or government regulations, both in the United States and internationally; and our ability to operate our manufacturing facilities at current or higher levels and respond to increases in manufacturing costs. **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](http://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 13 for information on the use of non-GAAP financial measures.

# Q1 Results



(\$ millions, except EPS)

	Q1 2019		Q1 2018		
	GAAP	Adjusted*	GAAP	Adjusted*	Adj Ex Div*
Orders	280	276	326	326	304
<b>Sales</b>	<b>270</b>	<b>267</b>	<b>276</b>	<b>276</b>	<b>257</b>
Gross Margin	74	83	76	89	84
SG&A and special charges	66	62	90	69	64
<b>Operating Income</b>	<b>8</b>	<b>20</b>	<b>(13)</b>	<b>20</b>	<b>20</b>
Interest Expense	13	13	12	12	
Other (income) expense	(2)	(2)	(2)	(2)	
Pre-tax	(3)	9	(23)	10	
Tax (provision) benefit	(5)	(1)	6	(2)	
<b>Net (Loss) Income</b>	<b>(8)</b>	<b>8</b>	<b>(17)</b>	<b>8</b>	
<b>EPS</b>	<b>(0.42)</b>	<b>0.38</b>	<b>(0.88)</b>	<b>0.40</b>	

EPS: (Loss) Per Share or Diluted Earnings Per Share

Adj Ex Div: Adjusted P&L items excluding the impact of divested businesses

Numbers may not add due to rounding.

• Reflects non-GAAP measures, see CIRCOR Q1 2019 earnings press release for definitions and a reconciliation to GAAP

# Q1 2019 Orders: Year-over-Year Comparison



(\$ millions)

	Industrial		Energy		Aerospace & Defense		CIRCOR	
	\$	%	\$	%	\$	%	\$	%
Q1 2018	137		130		60		326	
Divestitures	(5)		(17)		-		(22)	
<b>Q1 2018 Ex Divestitures</b>	<b>132</b>		<b>113</b>		<b>60</b>		<b>304</b>	
<i>Organic</i>	(1)	-1%	(48)	-42%	30	49%	(20)	-7%
<i>FX</i>	(7)	-5%	(1)	-1%	(1)	-2%	(9)	-3%
<i>Total change ex Divestitures</i>	(8)	-6%	(49)	-43%	28	47%	(29)	-9%
<b>Q1 2019 Ex Divestitures</b>	<b>124</b>		<b>64</b>	*	<b>88</b>		<b>276</b>	*

\* Q1 2019 Ex Divestitures excludes \$4 million of orders in Energy and CIRCOR, related to the business divested in January 2019.  
Numbers may not add due to rounding.



# Q1 2019 Revenue: Year-over-Year Comparison



(\$ millions)

	Industrial		Energy		Aerospace & Defense		CIRCOR	
	\$	%	\$	%	\$	%	\$	%
Q1 2018	117		100		58		276	
Divestitures	(4)		(15)		-		(19)	
<b>Q1 2018 Ex Divestitures</b>	<b>113</b>		<b>85</b>		<b>58</b>		<b>257</b>	
<i>Organic</i>	4	3%	12	14%	4	7%	20	8%
<i>FX</i>	(6)	-6%	(2)	-2%	(1)	-2%	(10)	-4%
<i>Total change ex Divestitures</i>	(2)	-2%	10	12%	3	5%	10	4%
<b>Q1 2019 Ex Divestitures</b>	<b>111</b>		<b>95</b> *		<b>61</b>		<b>267</b> *	

\* Q1 2019 Ex Divestitures excludes \$3 million of revenue in Energy and CIRCOR, related to the business divested in January 2019. Numbers may not add due to rounding.

# Industrial Segment Highlights



(\$ millions)

Q1 Results				Comments on YOY Results	
	Q1 2019	Q1 2018	YOY Change		
<b>Orders</b>	<b>124</b>	<b>137</b>	<b>-9%</b>	<b>Q1 2019 Orders</b>	
Continuing	124	132	-6%	<ul style="list-style-type: none"> <li>FX Headwind: -\$7 (5%)</li> <li>Organic Growth: -\$1 (1%)</li> </ul>	
Divested	-	5		<ul style="list-style-type: none"> <li>Year-over-year orders were largely flat to a strong Q1 2018, when we saw orders grow 19% on a pro forma organic basis.</li> </ul>	
<b>Net Revenues</b>	<b>111</b>	<b>117</b>	<b>-5%</b>	<b>Q1 2019 Revenues</b>	
Continuing	111	113	-2%	<ul style="list-style-type: none"> <li>FX Headwind: -\$6 (6%)</li> <li>Organic Growth: \$4 +3%</li> </ul>	
Divested	-	4		<ul style="list-style-type: none"> <li>Driven by strong order execution in the Americas</li> </ul>	
<b>Segment Operating Income</b>	<b>11</b>	<b>13</b>	<b>-17%</b>	<b>Q1 2019 Segment Operating Income &amp; Margin</b>	
Continuing	11	13	-16%	<ul style="list-style-type: none"> <li>Margin headwind associated with one-time expenses as well as discrete costs linked to the divestiture of non-core assets.</li> </ul>	
Divested	-	-			
<b>Segment Operating Margin</b>	<b>9.7%</b>	<b>11.1%</b>	<b>-140 bps</b>		
Continuing	9.7%	11.4%	-170 bps		

Numbers may not add due to rounding.

# Energy Segment Highlights



(\$ millions)

Q1 Results				Comments on YOY Results	
	Q1 2019	Q1 2018	YOY Change		
<b>Orders</b>	<b>68</b>	<b>130</b>	<b>-48%</b>	<b>Q1 2019 Orders</b>	
Continuing	64	113	-44%	<ul style="list-style-type: none"> <li>FX Headwind: -\$1 (1%)</li> <li>Organic Growth: -\$48 (42%)</li> <li>Down year-over-year, primarily due to a difficult compare with the timing of                             <ul style="list-style-type: none"> <li>Project orders in Refinery Valves, and</li> <li>Stocking orders in Distributed Valves.</li> </ul> </li> </ul>	
Divested	4	17			
<b>Net Revenues</b>	<b>98</b>	<b>100</b>	<b>-2%</b>	<b>Q1 2019 Revenues</b>	
Continuing	95	85	12%	<ul style="list-style-type: none"> <li>FX Headwind: -\$2 (2%)</li> <li>Organic Growth: \$12 +14%</li> <li>Growth was primarily driven by increased shipments from higher project bookings in Refinery Valves.</li> </ul>	
Divested	3	15			
<b>Segment Operating Income</b>	<b>7</b>	<b>6</b>	<b>19%</b>	<b>Q1 2019 Segment Operating Income &amp; Margin</b>	
Continuing	7	6	19%	<ul style="list-style-type: none"> <li>Margin improvement driven by higher revenue partially offset by Refinery Valves unfavorable project mix and cost associated with ramping up production in Monterrey.</li> </ul>	
Divested	-	-			
<b>Segment Operating Margin</b>	<b>6.9%</b>	<b>5.7%</b>	<b>120 bps</b>		
Continuing	7.1%	6.7%	40 bps		

Numbers may not add due to rounding.

# Aerospace & Defense Segment Highlights



(\$ millions)

Q1 Results				Comments on YOY Results
	Q1 2019	Q1 2018	YOY Change	
Orders	88	60	47%	<b>Q1 2019 Orders</b> <ul style="list-style-type: none"> <li>FX Headwind: -\$1 (2%)</li> <li>Organic Growth: \$30 +49%</li> <li>Driven by large Defense orders and strong narrow-body build rates in Commercial.</li> </ul> <b>Q1 2019 Revenues</b> <ul style="list-style-type: none"> <li>FX Headwind: -\$1 (2%)</li> <li>Organic Growth: \$4 +7%</li> <li>Driven by robust sales across both defense and commercial business sectors.</li> </ul> <b>Q1 2019 Segment Operating Income &amp; Margin</b> <ul style="list-style-type: none"> <li>Margin flat driven by unfavorable mix</li> </ul>
Net Revenues	61	58	5%	
Segment Operating Income	9	9	5%	
Segment Operating Margin	15.3%	15.3%	0 bps	

Numbers may not add due to rounding.

# Q1 P&L Selected Items



(\$ millions, except EPS)

	Q1 2019				Q1 2018			
	GAAP	Divested	Special	Adjusted	GAAP	Special	Adjusted	Adj Ex Div
Orders	280	4	-	276	326	-	326	304
Sales	270	3	-	267	276	-	276	257
Operating Income	8	-	12	20	(13)	33	20	20
Operating Income %	2.9%			7.6%	-4.9%		7.2%	7.7%
Interest Expense	13	-	-	13	12	-	12	
Other(income) expense	(2)	-	-	(2)	(2)	-	(2)	
Pre-tax	(3)	-	12	9	(23)	33	10	
Tax	(5)	-	4	(1)	6	(8)	(2)	
Net Income	(8)	-	16	8	(17)	25	8	
EPS	(0.42)			0.38	(0.87)		0.40	

## Charges in Costs of Goods Sold

Acquisition-related depreciation & amortization	5.6
Restructuring-related inventory charges	2.8
Loss from divested business	0.3
- subtotal	8.7

## Charges in SG&A

Acquisition-related depreciation & amortization	7.6
Gain on sale of businesses	(6.6)
Loss from divested business	1.5
Other restructuring charges	1.1
- subtotal	3.6
Total	12.3

Numbers may not add due to rounding.

## Cash Flow and Debt Position



(\$ millions)

	Q1 2019	Q1 2018
<b>Cash Flow from Operations</b>	(22)	-
Capital Expenditures, net	(4)	(8)
<b>Free Cash Flow</b>	<u>(26)</u>	<u>(8)</u>

	31-Mar-19	31-Dec-18
<b>Total Debt</b>	734	786
Cash and Cash Equivalents	74	68
<b>Net Debt</b>	<u>660</u>	<u>718</u>
Net Debt to Equity	124%	136%

53 debt paydown  
in Q1 2019

Note: Total debt is comprised of current and long-term debt, net of approximately \$20 and \$21 of unamortized debt issuance costs at Q1 2019 and Q4 2018, respectively.

Segment	Trends	Outlook
 <p><b>Industrial</b></p>	<ul style="list-style-type: none"> <li>Continued growth in global capital spending driving demand for machinery</li> <li>Chemical processing strength in N. America and Asia</li> <li>Energy efficiency initiatives driving equipment growth</li> <li>On going strength in N. America and Asia, pockets of weakness in Europe</li> </ul>	
 <p><b>Commercial Marine</b></p>	<ul style="list-style-type: none"> <li>Shipbuilding demand for merchant marine remains flat</li> <li>Off-shore vessels build rate very low</li> <li>IMO2020 Low Sulphur regulation increasing demand for scrubber pumps</li> <li>Expanded global fleet aging, increasing aftermarket demand</li> </ul>	
 <p><b>Oil &amp; Gas</b></p>	<ul style="list-style-type: none"> <li>Take away capacity constraining growth in N. American up and midstream</li> <li>Low but improving activity in international upstream markets</li> <li>Refining capacity growth in Middle East and Asia Pacific</li> <li>Refining expansions and upgrades in the Americas</li> </ul>	
 <p><b>Aerospace</b></p>	<ul style="list-style-type: none"> <li>Commercial aircraft build rates and backlog at historic highs</li> <li>Global airline passenger traffic growth</li> <li>Ramp up of newer programs</li> </ul>	
 <p><b>Defense</b></p>	<ul style="list-style-type: none"> <li>Global increases in defense spending</li> <li>Key programs to receive increased funding / ramping up                             <ul style="list-style-type: none"> <li>Submarines / aircraft carriers</li> <li>F35 Joint Strike Fighter</li> <li>Missiles</li> </ul> </li> </ul>	

## Q2 2019 Guidance as of April 26, 2019



(millions, except per share amounts)

	Q2 2019	
	Low	High
Net Revenue	\$ 270	\$ 280
Expected Adjusted Earnings Per Share	\$ 0.40	\$ 0.48
Expected Special / Restructuring Charges per share:		
- Special & Restructuring Gains (Charges)	\$ (0.04)	\$ (0.02)
- Special Charges - M&A amortization related	\$ (0.49)	\$ (0.49)



# Use of Non-GAAP Financial Measures



Within this presentation the Company uses non-GAAP financial measures, including Adjusted operating income, Adjusted operating margin, Adjusted net income, Adjusted earnings per share (diluted), EBITDA, Adjusted EBITDA, net debt, free cash flow and organic growth. These 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 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 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.
- Due to the significance of recently sold businesses and to provide a comparison of changes in our orders and revenue, we also discuss orders and revenue changes on an "organic" basis. Organic change is calculated assuming the divestures were completed on January 1, 2018 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 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 2019 news release available on its website at [www.CIRCOR.com](http://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 2019 news release available on its website at [www.CIRCOR.com](http://www.CIRCOR.com).

## APPENDIX

CIRCOR by End Market

