



April 13, 2021

To Our Shareholders:

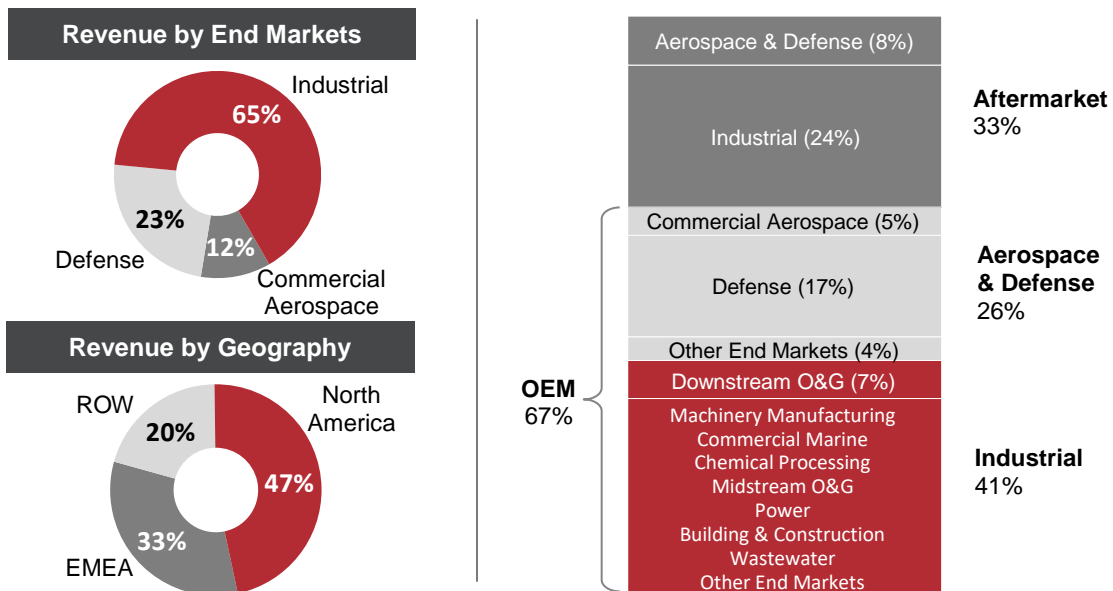
I want to first extend a heartfelt thank you to the entire CIRCOR team for their unwavering efforts to prioritize health and safety while continuing to deliver mission critical products for our customers. Their resilience has been remarkable, and I am proud of what we accomplished last year as a team.

2020 was another transformational year for CIRCOR marked by significant progress on our 18-month strategic plan despite the unprecedented challenges presented by the global COVID-19 pandemic. In June 2019, we outlined a detailed 18-month strategic plan for delivering significant stockholder value, and I am pleased to report that we executed on these strategic priorities successfully. Highlights from 2020 include:

- Completed our exit from upstream oil & gas with the sale of Instrumentation & Sampling and Distributed Valves
- Launched a record 49 new products in collaboration with our customers and suppliers
- Leveraged our market leading positions and value-based pricing strategy to achieve price increases in both Industrial and Aerospace & Defense
- Executed \$45 million of difficult but necessary cost actions to preserve our financial strength
- Reduced our net debt by \$126 million, or 22%
- Expanded the CIRCOR Operating System to improve operations and execution across the company

We exited 2020 with the strongest portfolio of differentiated technology in the company’s history. Our products have strong market positions in the niches where they compete, and we are diversified across many attractive end markets. Our sales and operations are spread across the globe, with an expanded local presence in China and India, where we expect to continue seeing strong growth.

CIRCOR 2020 Revenue Segmentation



In Aerospace and Defense, growth in our Defense business mostly offset significant market pressure in Commercial Aerospace, and we improved margins by 290 basis points versus 2019 despite lower sales. Notably, Aerospace and Defense won 20 new programs, including 16 in Defense and 4 in Commercial. Going forward, we expect growth in our Aerospace and Defense business driven by our strong positions on growing platforms, new program wins, and a recovery in Commercial Aerospace as aircraft production rates and fleet utilization recover.

In Industrial, our diversification across geographies, end markets, and products helped mitigate the impact of the pandemic, and we improved operational capabilities through further simplification and cost out actions. While orders and revenue were down for the year, we continued to invest in growth. We exited 2020 with positive momentum and we are well positioned for a market recovery in 2021.

CIRCOR'S CONTINUED TRANSFORMATION

Invest in People

In 2020, we recruited a number of strong executives onto the CIRCOR leadership team. Our CFO, Abhi Khandelwal brings a proven track record of improving financial and operational performance at global industrial technology companies. Jessica Wenzell, our General Counsel, brings legal expertise in support of industrial transformations, M&A, and compliance. Pete Sattler, our CIO, brings experience leading IT integration and modernization programs across global manufacturing enterprises. I am very excited to have them on the team.

In addition to remarkable external recruitment during the year, we expanded our investments in leadership development across the company, including formal training, an expanded mentorship program, and a job rotation program for high potential business school graduates.

And finally, Diversity and Inclusion has taken a more prominent role at the company with the establishment of a Program Management Office focused on attracting, developing, and retaining the best talent, while fostering a diverse and inclusive culture.

Accelerate Growth

We continued to invest in growth despite the economic downturn in 2020. We launched a record 49 new products versus our 2020 commitment of 45 new products. Revenue generated from new products launched in the last three years increased to roughly 8% of our total revenue. We expect this number to continue growing in 2021 and beyond. A few examples of our new mission-critical technology include:

- In our Defense business, we launched new products designed to support advanced missile technology, including hypersonic applications. Our arming switches are designed to operate in more severe environments with respect to temperature, radiation, and G-force. Our new motors for fin actuation systems support various tactical missiles currently in development with the US Navy and Air Force. We will produce these motors on our new high-volume assembly line in our Tangier, Morocco facility.
- On the Commercial Aerospace side, we introduced a switch which activates the aircraft's location transmitter, secures the black box, illuminates the emergency exits, and activates other emergency auxiliary systems in the case of an in-flight emergency.
- In our Industrial business, we launched a new series of gas Pressure Reduction Systems to help customers in marine, medical, and public utility industries. These systems help our customers

transport and manage high pressure industrial gas, LNG, CNG, biomethane fuels, and medical oxygen.

In addition to innovative new products, we remain focused on leveraging our large installed base to drive aftermarket growth. We began what will ultimately be a multi-year investment in digital technology that will simplify our customers' ability to buy aftermarket product and enable our sales and marketing teams to better understand and support our global installed base.

And finally, we continued to invest in high growth markets through 2020, focused on local product design, manufacturing, sales, and support. Last year we inaugurated a new world-class manufacturing facility in Weihai, China that is serving the local market and the global commercial marine industry.

Expand Margins

In 2020 we took decisive cost action to accelerate the transformation of the company and protect our financial strength. Of the \$45 million of cost actions taken during 2020, approximately \$20 million were structural in nature, linked to the simplification of our business and organization. We also significantly expanded our Centers of Excellence in India to provide additional IT, Engineering, Supply Chain, and HR support to CIRCOR locations in and outside of India. These actions will accelerate our journey to our long-term margin targets and a world-class cost structure.

In addition, we continue to benefit from the CIRCOR Operating System (COS) across the company. COS is designed to drive operational efficiency and a culture of continuous improvement. As the program matures, we see dramatic improvements in key operating metrics including safety, quality, productivity, and customer on-time delivery. By the end of 2020, 50% of our sites were certified at the Bronze or Silver level, and we expect 90% to be certified at the Bronze level or better by the end of 2021.

Finally, despite the market headwinds associated with COVID-19, we were able to raise prices across the portfolio in 2020 due to our differentiated technology and our strong market positions. We have developed a value-based pricing strategy that better aligns the value we provide to our customers with the pricing of our products. We will continue to leverage this strategy in the future.

Disciplined Capital Allocation

We are disciplined in our approach to capital deployment. We concluded 2020 with a net debt position of \$443 million, down by \$126 million, or 22% compared to 2019. We invested \$5 million in restructuring activities to simplify our cost structure, and \$12 million in capital expenditures that were largely in support of growth and productivity initiatives.

Going forward, we will continue to invest in growth and margin expansion initiatives, and we expect to use the free cash flow generated in 2021 to further pay down debt.

ENVIRONMENTAL & SOCIAL COMMITMENTS

At CIRCOR, we are committed to environmental sustainability and social priorities. With our purpose of *Keeping Society Safe, Productive, and Moving* as our foundation, we delivered on our commitment to our customers, employees and communities. Some examples from 2020 include:

- Provided comprehensive support of the health, safety, and general well-being of our employees through the COVID-19 pandemic.
- Maintained a product portfolio of flow control products, including those that
 - Are directly involved in safety-of-life applications;

- Improve efficiency in a variety of markets; and
- Enable our customers to reduce emissions and waste.
- Adopted a Human Rights policy, which reaffirmed our commitment to respecting and promoting human rights in every facet of our global operation.

In addition, we improved electricity efficiency at our manufacturing facilities by 1.4% in 2020 versus 2019. Moving forward, we expect to further improve electricity efficiency by 1-2% per year.

In 2021, we remain focused on protecting the environment and safety of CIRCOR's employees, business partners, and communities. Environmental, Health, and Safety (EHS) will continue to be a key component of our CIRCOR Operating System and will further enhance our culture of sustainability and safety.

LOOKING AHEAD

Looking ahead, we are well positioned to take advantage of an eventual market recovery in 2021 and we remain focused on delivering on our strategic priorities.

- Talent -- attracting, developing, and retaining the best people.
- Growth with priority given to innovative new products, aftermarket service and support, and regional expansion.
- Margin expansion through further simplification, the CIRCOR Operating System, and value-based pricing.
- Effective capital allocation with a focus on further enhancing free cash flow generation in 2021 and de-leveraging our balance sheet.
- Environmental and Social priorities, including Diversity and Inclusion, will play an increasingly important role in how we run the company for the benefit of all stakeholders.

On behalf of everyone at CIRCOR, I want to thank our customers, our suppliers, and you, our shareholders, for your support in 2020 and in the future.

Sincerely,



Scott Buckhout
President and Chief Executive Officer

Safe Harbor Statement

This letter contains forward-looking statements. 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 letter that are not statements of historical fact are forward-looking statements, including, but not limited to, our future performance, including future growth and profitability, increase in stockholder value, 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: unplanned consequences of the COVID-19 pandemic, including any restrictions imposed by government, changes in the price of and demand for oil and gas in both domestic and international markets, our ability to successfully integrate acquired businesses, as contemplated, our ability to successfully implement our divestiture, restructuring or simplification strategies, the possibility that expected benefits related to the Fluid Handling acquisition may not materialize as expected, any adverse changes in governmental policies, variability of raw material and component pricing, changes in our suppliers' performance, fluctuations in foreign currency exchange rates, changes in tariffs or other taxes related to doing business internationally, our ability to hire and retain key personnel, our ability to operate our manufacturing facilities at efficient levels including our ability to prevent cost overruns and reduce costs, our ability to generate increased cash by reducing our working capital, our prevention of the accumulation of excess inventory, our ability to successfully implement our restructuring or simplification strategies, fluctuations in interest rates, our ability to successfully defend product liability actions, any actions of stockholders or others in response to the expiration of the recent unsolicited tender offer and the cost and disruption of responding to those actions, as well as the uncertainty associated with the current worldwide economic conditions and the continuing impact on economic and financial conditions in the United States and around the world, including as a result of health pandemics, natural disasters, terrorist attacks, current Middle Eastern conflicts and related matters. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN THE ACCOMPANYING ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT WWW.CIRCOR.COM. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.