



Energy
Aerospace & Defense
Industrial

Baird 2018 Global Industrial Conference

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President & CEO

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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 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. 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.

The Leading Global Flow and Motion Control Technology Company

Key Statistics

2018 Revenue:	~\$1.2B
Enterprise Value:	~\$1.6B
Adjusted EBITDA:	\$117M
Employees:	~4900

Pumps

3 Screw Centrifugal



Valves

Control Ball Valve

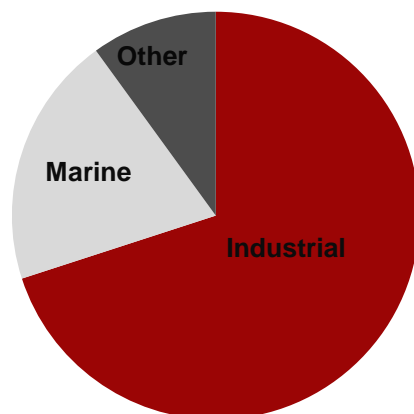


Actuation

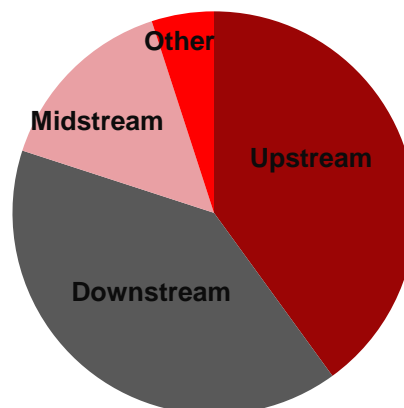
Electromechanical Actuation



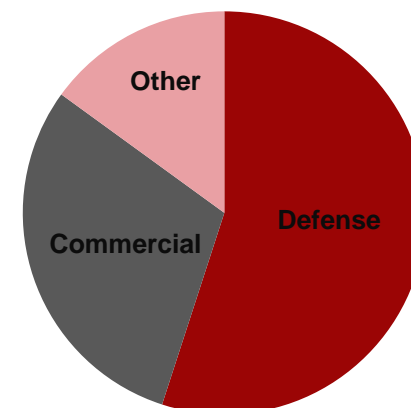
Industrial \$491M



Energy \$444M



Aerospace & Defense \$238M



Sales Mix

Note: Revenue and adjusted EBITDA figures are proforma for the twelve months ended Q3 2018

Mission Critical Products for Severe Applications



Bottom Unheading Device Refinery Delayed Coking Unit



Process: Refinery Delayed Coking Unit

Problem: Manual unheading of high temperature coke takes 2+ hours daily; extremely unsafe environment

Product: DeltaValve™ Bottom Unheading Device (BUD)

Benefit: Reduced unheading time from 2 hours to 10 mins daily. Increased safety through remote operation

Automatic Recirculation Pump Protection Power Generation Facility



Process: Power Generation

Problem: Low flow into pumping systems leads to pump failure, causing severe damage to power generators

Product: Schrodahl™ ARV Pump Protection Valves

Benefit: Reduced risk of pump failure; Increased efficiency and uptime

A Transformational Deal: Colfax Fluid Handling

(\$ Millions)

Global Manufacturer of Specialty Pumping Solutions

- Designs, manufactures, distributes and supports specialty pumps for severe service applications

Pump Products

3 Screw



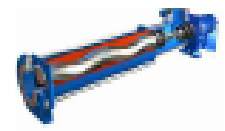
2 Screw



Centrifugal

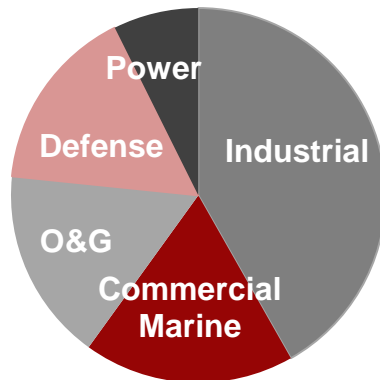


Precision Metering Progressing Cavity

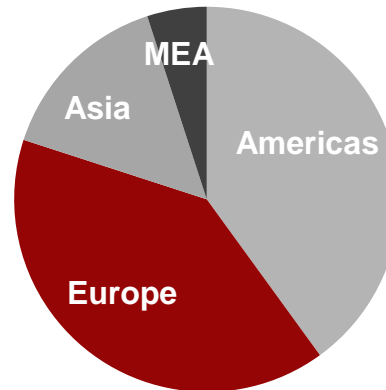


Sales Mix

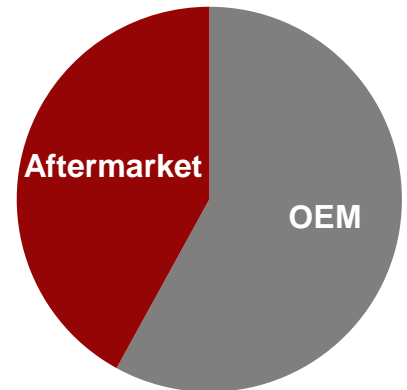
End Markets



Geography



Aftermarket / OEM



Key Statistics

Sales: ~\$466

Adj. EBITDA margin: ~14%

Employees: 1900 globally

Note: Financial information based on LTM as of 9/30/17. Adjusted EBITDA based on diligence results.

Significant Synergy Potential



(\$ Millions)

Anticipate \$23 of Synergies by Year 3

Cost

- ☒ Sourcing Savings
- ☒ G&A Reduction
- ☒ Manufacturing Rationalization

\$23

Manufacturing

G&A

Sourcing

Potential Upside on Sales

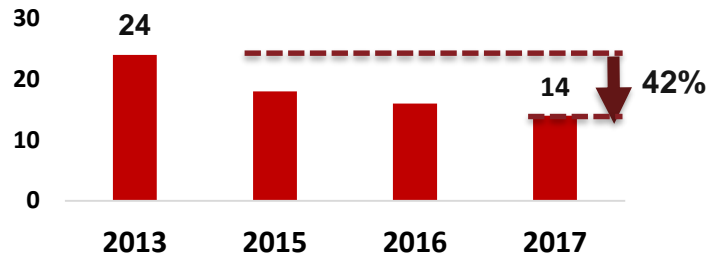
- ☒ Oil & Gas and Defense end markets



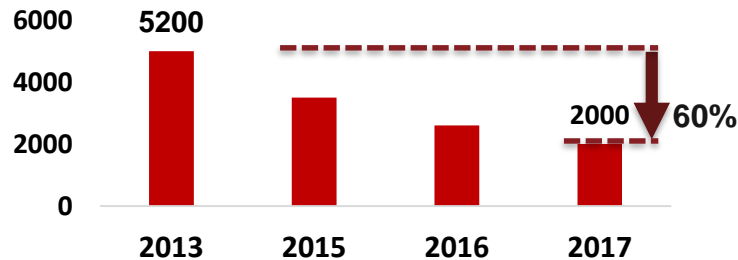
Proven Operator with a Clearly Executable Strategy

CIRCOR Simplification Since 2013

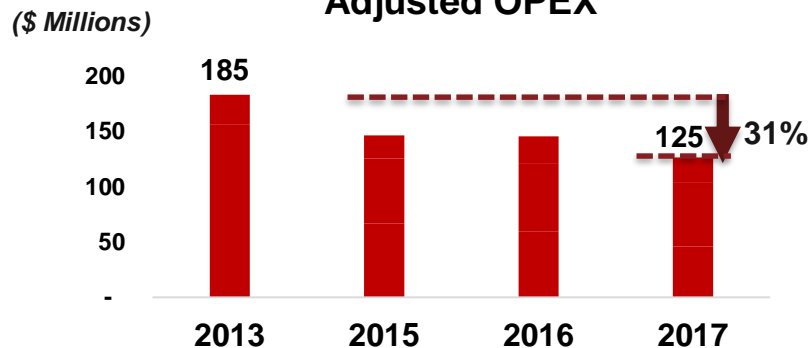
Factories



Suppliers



Adjusted OPEX



Note: CIRCOR 2013 – 2017 excludes acquisitions

Opportunities with Fluid Handling

Manufacturing

Description	Opportunity
• 5 factories in high-cost locations (95% of hours)	• Rationalization
• 1 in India and 1 in China	• Make-to-buy opportunities
• 4 system integration shops	• Transition to low-cost
• Vertically integrated	

Supply Chain

Description	Opportunity
• ~630 suppliers	• Consolidation
• >95% of suppliers in high-cost locations	• Transition to low-cost

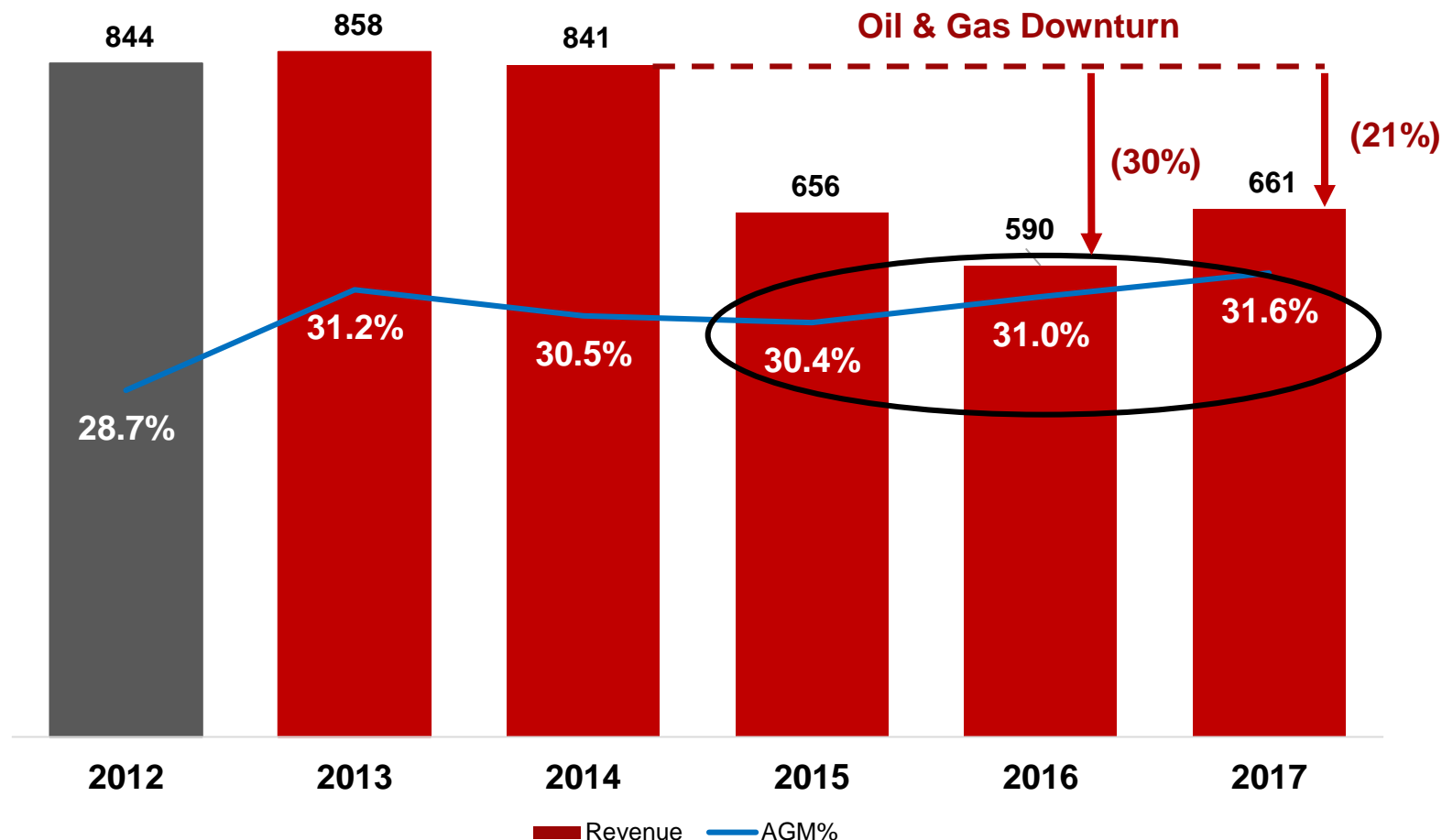
OPEX

Description	Opportunity
• Duplicative OPEX infrastructure	• Leverage existing CIRCOR shared services and overhead

Strong Execution Through the Downturn

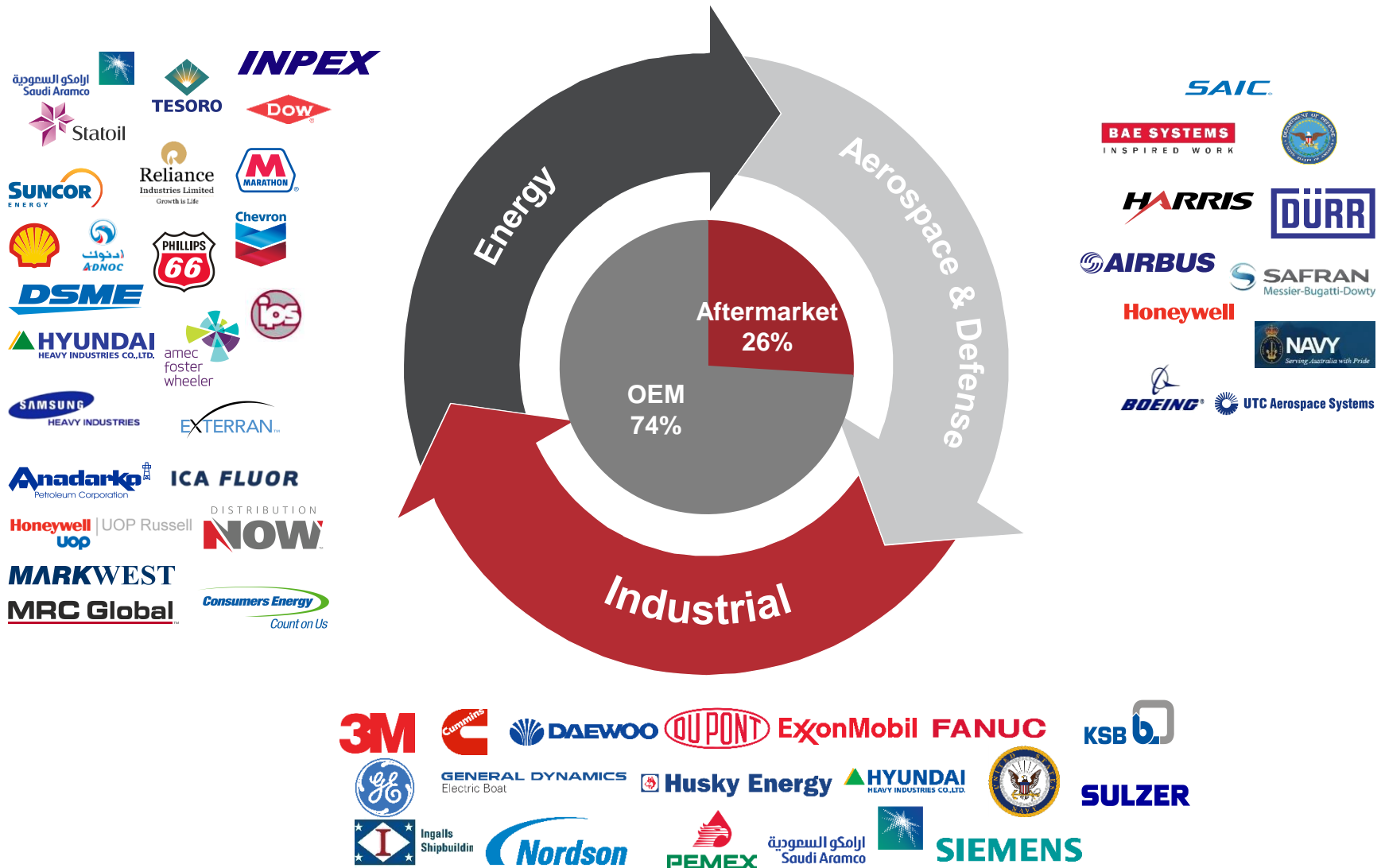
(\$ Millions)

Reported Revenue and Gross Margin Through the Cycle













Note: All financials are reported CIRCOR numbers – including acquisitions

Diverse Customer Base

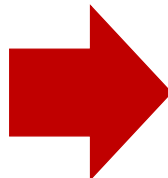


Improving End Markets

Market	% of Sales	Trends	Outlook
 Industrial	34%	<ul style="list-style-type: none"> Continued strong demand for machinery and rotating equipment Chemical processing strength in N. America and Asia Global increase in wastewater construction and processing Energy efficiency initiatives growth 	
 Aerospace	22%	<ul style="list-style-type: none"> Commercial aircraft build rates and backlog at historic highs Global airline passenger traffic growth Ramp up of newer programs 	
 Defense		<ul style="list-style-type: none"> Global increases in defense spending Key programs to receive increased funding/ramping up <ul style="list-style-type: none"> Submarines/aircraft carriers F35 Joint Strike Fighter Missile programs 	
 Oil and Gas	37%	<ul style="list-style-type: none"> Strength in unconventional N. America Moderate increase in upstream outside N. America Refining capacity growth in Middle East and Asia Pacific Refining expansions and upgrades in the Americas 	
 Commercial Marine	7%	<ul style="list-style-type: none"> Merchant marine shipbuilding demand showing signs of recovery Off-shore vessels remain at low levels Expanded global fleet aging, increasing aftermarket demand 	

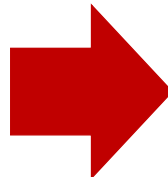
Source: Represents 2017 pro forma sales including FH business by end market.

Mission critical products for severe service applications



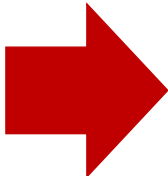
- Managing product portfolio
 - Divesting commodity businesses
 - Acquiring severe service technologies
- Increasing new product launches

Leader in niche segments with benefits of scale



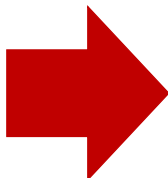
- Transformative deal closed 10 months ago
- Integration and synergies on track

Diverse and improving end markets with longstanding customer base



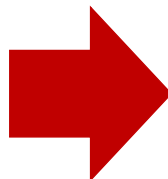
- Increasing aftermarket exposure
- Balanced global end market exposure
- Improving end markets

Proven operator with clearly executable strategy



- Simplification
- CIRCOR Operating System
- Leveraging low cost footprint

Ongoing focus on cash flow and delevering



- Working capital opportunity
 - Margin expansion
 - Growth
-

Use of Non-GAAP Financial Measures



(\$ Millions)

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, organic growth, pro forma combined amounts and pro forma 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 the Fluid Handling acquisition and to provide a more meaningful comparison of changes in our orders and revenue, we also discuss these changes on a "pro forma organic" basis. Pro forma organic is calculated assuming the Fluid Handling acquisition was completed on January 1, 2017 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 used in this presentation is below :

	Q4 2017	YTD Q3 2018	Subtotal
Net (Loss) Income	(6)	(18)	(24)
Less:			
Interest expense, net	(4)	(40)	(44)
Depreciation	(4)	(22)	(26)
Amortization	(5)	(37)	(42)
Income tax benefit	6	11	17
Restructuring-related inventory charges	-	(2)	(2)
Amortization of inventory step-up	(4)	(7)	(11)
Restructuring charges, net	(1)	(12)	(13)
Special recoveries, net	(14)	(5)	(19)
Adjusted EBITDA	<u>22</u>	<u>94</u>	<u>116</u>
Fluid Handling (a)			<u>1</u>
LTM Q3 2018 Pro Forma EBITDA			<u>117</u>

Use of Non-GAAP Financial Measures



(\$ Millions)

Reconciliation of GAAP Revenue to Pro Forma LTM Q3 2018 Revenue

	CIRCOR GAAP Revenue		Subtotal	Fluid Handling (b)	Total Pro Forma LTM Q3 2018
	Q4 2017	YTD Q3 2018	LTM Q3 2018		
Industrial	52	367	419	72	491
Energy	97	334	430	14	444
Aerospace & Defense	57	174	231	7	238
	<u>206</u>	<u>874</u>	<u>1,080</u>	<u>93</u>	<u>1,173</u>

	Fluid Handling (c)	Margin %
Fluid Handling Q3 LTM 2017 Revenue	<u>466</u>	
Net Income	14	3%
Interest Expense	2	0%
Income Taxes	12	3%
Depreciation & Amortization	11	2%
Stock Compensation Expense	1	0%
Restructuring, Special & Other Charges	22	5%
Diligence Adjustments (d)	<u>4</u>	1%
Adjusted EBITDA	<u>67</u>	
Adjusted EBITDA Margin		14%

Notes

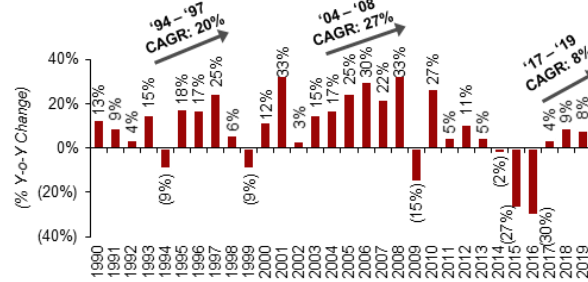
- a) Represents adjusted EBITDA of Fluid Handling for the period October 1 through December 11, 2017, prior to CIRCOR ownership.
- b) Represents revenue of Fluid Handling for the period October 1 through December 11, 2017, prior to CIRCOR ownership.
- c) Represents Fluid Handling for the 12 months ended Q3 2017.
- d) Diligence adjustments includes certain pension adjustments and losses associated with closed businesses to better reflect ongoing operations post-acquisition.

Diverse End Markets Poised for Growth

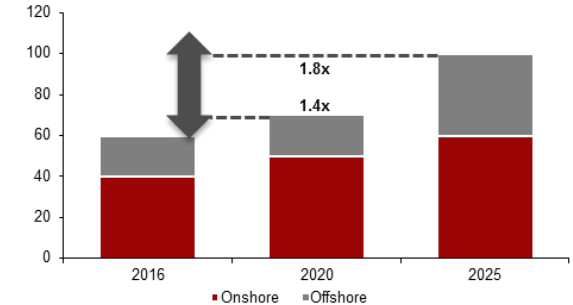


Energy

Oil & Gas Capex



Exploration & Production Spend

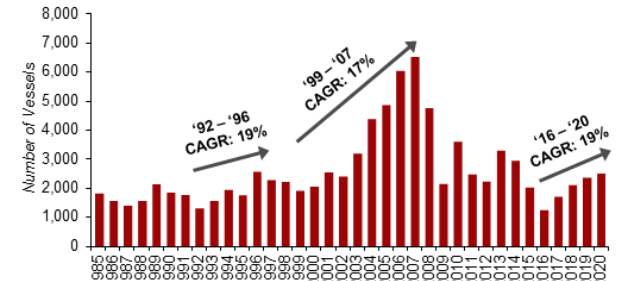


Industrial

ISM Manufacturing Index

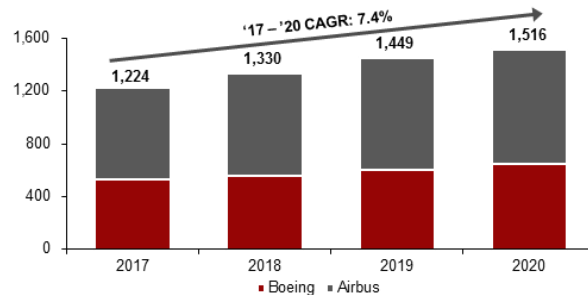


Commercial Marine
New Ship Ordering Activity



Aerospace & Defense

Build Rates: Boeing 737, Airbus A320, A350



US Defense Subs vs Others

