

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K/A
(Amendment No. 1)**

**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)

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.

☐

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

Item 2.02. Results of Operations and Financial Condition.

This Current Report on Form 8-K/A amends the Current Report on Form 8-K (the “Form 8-K”) of CIRCOR International, Inc. (the “Company”), furnished to the Securities and Exchange Commission by the Company on April 25, 2019. On April 25, 2019, the Company issued a press release announcing its financial results for the first fiscal quarter ended March 31, 2019 (the “Q1 Earnings Release”).

The Company is furnishing this Form 8-K/A for the purpose of correcting the following errors in the financial information included in the Q1 Earnings Release. The errors related to the accounting for the divestiture of our Reliability Services business during the first quarter of 2019 as well as currency translation adjustments on certain purchase accounting balances and other reclassifications errors in the originally furnished press release on April 26, 2019 (amounts in thousands except per share amounts).

CONDENSED CONSOLIDATED STATEMENT OF LOSS

	As Currently Reported	As Previously Announced	Difference
Selling, general and administrative expenses	69,973	69,719	(254)
Special and restructuring (recoveries) charges, net	(7,816)	(3,779)	(4,037)
OPERATING INCOME	11,712	7,929	(3,783)
LOSS (INCOME) BEFORE INCOME TAXES	446	(3,337)	(3,783)
Provision for (benefit from) income taxes	5,079	5,095	16
NET LOSS	(4,633)	(8,432)	(3,799)

Loss per common share:

Basic	\$	(0.23)	\$	(0.42)	\$	(0.19)
Diluted	\$	(0.23)	\$	(0.42)	\$	(0.19)

CONDENSED CONSOLIDATED BALANCE SHEETS

	As Currently Reported	As Previously Announced	Difference
Goodwill	460,995	476,562	15,567
Other Assets	37,620	35,483	(2,137)
Total Assets	1,719,334	1,732,764	13,430
Accrued expenses and other current liabilities	99,591	99,771	180
Total Current Liabilities	249,119	249,299	180
PENSION LIABILITY, NET	148,297	146,854	(1,443)
OTHER NON-CURRENT LIABILITIES	38,295	37,832	(463)
SHAREHOLDERS' EQUITY	516,177	531,333	15,156
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,719,334	1,732,764	13,430

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	As Currently Reported	As Previously Announced	Difference
Operating Activities			
Net Loss	(4,633)	(8,432)	(3,799)
Amortization	12,836	12,906	70
Loss on write down of inventory	3,368	3,043	(325)
Amortization of debt issuance costs	1,010	—	(1,010)
Loss on sale or write-down of property plant and equipment	96	—	(96)
Gain on sale of business	(10,282)	(6,569)	3,713
Trade accounts receivable	(8,635)	(5,758)	2,877
Inventories	(3,452)	(1,108)	2,344
Other current assets and liabilities	(20,171)	(23,243)	(3,072)
Net cash used in operating activities	(22,378)	(21,686)	692
Investing Activities			
Additions to property, plant and equipment Net cash provided by (used in) investing activities	(3,717)	(3,879)	(162)
Net cash used in investing activities	79,632	79,470	(162)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	957	426	(531)
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	5,111	5,110	(1)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT THE END OF PERIOD	74,636	74,635	(1)

Updated versions of the Q1 Earnings Release and the Q1 Investor Review Presentation reflecting the above-revised financial information will be posted on the Company's website at <https://investors.circor.com>.

The information in this Item 2.02 of Form 8-K and Exhibit 99.1 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 in Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Corrected Excerpts of Press Release regarding Earnings

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: May 14, 2019

CIRCOR INTERNATIONAL, INC.

/s/ David F. Mullen

By: David F. Mullen

Title: Senior Vice President and Corporate Controller

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	69,973	77,238
Special and restructuring (recoveries) charges, net	(7,816)	12,446
OPERATING INCOME (LOSS)	11,712	(13,380)
Other expense (income):		
Interest expense, net	13,179	11,801
Other income, net	(1,913)	(1,861)
TOTAL OTHER EXPENSE, NET	11,266	9,940
INCOME (LOSS) BEFORE INCOME TAXES	446	(23,320)
Provision for (benefit from) income taxes	5,079	(5,879)
NET LOSS	\$ (4,633)	\$ (17,441)
Loss per common share:		
Basic	\$ (0.23)	\$ (0.88)
Diluted	\$ (0.23)	\$ (0.88)
Weighted average number of common shares outstanding:		
Basic	19,870	19,806
Diluted	19,870	19,806

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

	Three Months Ended	
	March 31, 2019	April 1, 2018
OPERATING ACTIVITIES		
Net loss	\$ (4,633)	\$ (17,441)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	5,944	7,334
Amortization	12,836	12,329
Bad debt expense	109	261
Loss on write down of inventory	3,368	963
Amortization of inventory fair value step-up	—	6,600
Compensation expense for share-based plans	1,432	1,365
Amortization of debt issuance costs	1,010	881
Loss on sale or write-down of property, plant and equipment	96	1,284
Gain on sale of business	(10,282)	—
Changes in operating assets and liabilities, net of effects of acquisition and disposition:		
Trade accounts receivable	(8,635)	22,038
Inventories	(3,452)	(14,850)
Prepaid expenses and other assets	2,881	(11,648)
Accounts payable, accrued expenses and other liabilities	(23,052)	(9,261)
Net cash used in operating activities	(22,378)	(145)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,717)	(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	79,632	(8,141)
FINANCING ACTIVITIES		
Proceeds from long-term debt	87,400	71,950
Payments of 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	957	956
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,111	12,910
Cash, cash equivalents, and restricted cash at beginning of period	69,525	112,293
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	\$ 74,636	\$ 125,203

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 73,619	\$ 68,517
Trade accounts receivable, less allowance for doubtful accounts of \$5,048 and \$6,735 at March 31, 2019 and December 31, 2018, respectively	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
Total Current Assets	<u>574,637</u>	<u>648,046</u>
PROPERTY, PLANT AND EQUIPMENT, NET	198,148	201,799
OTHER ASSETS:		
Goodwill	460,995	459,205
Intangibles, net	422,302	441,302
Deferred income taxes	25,632	28,462
Other assets	37,620	12,798
TOTAL ASSETS	<u>\$ 1,719,334</u>	<u>\$ 1,791,612</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 122,277	\$ 123,881
Accrued expenses and other current liabilities	99,591	107,312
Accrued compensation and benefits	27,251	33,878
Current portion of long-term debt	—	7,850
Liabilities held for sale	—	11,141
Total Current Liabilities	<u>249,119</u>	<u>284,062</u>
LONG-TERM DEBT	733,666	778,187
DEFERRED INCOME TAXES	33,780	33,932
PENSION LIABILITY, NET	148,297	150,623
OTHER NON-CURRENT LIABILITIES	38,295	15,815
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
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; 19,875,993 and 19,845,205 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	212	212
Additional paid-in capital	442,568	440,890
Retained earnings	228,582	232,102
Common treasury stock, at cost (1,372,488 shares at March 31, 2019 and December 31, 2018)	(74,472)	(74,472)
Accumulated other comprehensive loss, net of tax	(80,713)	(69,739)
Total Shareholders' Equity	<u>516,177</u>	<u>528,993</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 1,719,334</u>	<u>\$ 1,791,612</u>

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

	Three Months Ended	
	March 31, 2019	April 1, 2018
ORDERS (1)		
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>
BACKLOG (2)		
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
ORDERS						
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
Total	\$ 326,162	\$ 309,358	\$ 307,396	\$ 296,578	\$ 1,239,494	\$ 279,623

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
Total	\$ 275,580	\$ 301,368	\$ 297,514	\$ 301,363	\$ 1,175,825	\$ 270,395

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)
Adjusted Operating Income	\$ 19,773	\$ 24,823	\$ 24,447	\$ 27,542	\$ 96,585	\$ 20,239

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%
CIRCOR Adjusted Operating Margin	7.2%	8.2%	8.2%	9.1%	8.2%	7.5%

**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%
CIRCOR Adjusted Operating Margin Excluding Divestitures	7.7%	8.2%	7.9%	9.3%	8.3%	7.6%

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

<u>DIVESTED BUSINESSES</u>	2018						2019
	1st QTR	2nd QTR	3rd QTR	4th QTR	Total		1st QTR
ORDERS							
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
NET REVENUES							
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
SEGMENT OPERATING INCOME							
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
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$ (145)	\$ (465)	\$ 24,073	\$ 30,531	\$ 53,994	\$ (22,378)
LESS:						
Capital expenditures, net of sale proceeds	8,141	3,563	5,119	6,534	23,357	3,689
FREE CASH FLOW	\$ (8,286)	\$ (4,028)	\$ 18,954	\$ 23,997	\$ 30,637	\$ (26,067)
GROSS DEBT	\$ 823,665	\$ 827,629	\$ 831,613	\$ 807,050	\$ 807,050	\$ 753,950
LESS: Cash & cash equivalents	123,305	69,030	71,334	68,517	68,517	73,619
GROSS DEBT, NET OF CASH	\$ 700,360	\$ 758,599	\$ 760,279	\$ 738,533	\$ 738,533	\$ 680,331
TOTAL SHAREHOLDERS' EQUITY	\$ 592,096	\$ 573,992	\$ 574,171	\$ 528,993	\$ 528,993	\$ 516,177
GROSS DEBT AS % OF EQUITY	139%	144%	145%	153%	153%	146%
GROSS DEBT, NET OF CASH AS % OF EQUITY	118%	132%	132%	140%	140%	132%

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
NET INCOME (LOSS)	\$ (17,441)	\$ 5,902	\$ (6,841)	\$ (21,005)	\$ (39,385)	\$ (4,633)
LESS:						
Restructuring related inventory charges	473	1,067	—	864	2,404	3,142
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	12,077
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	(8,678)
Income tax impact	(7,687)	(11,056)	967	12,124	(5,652)	3,751
ADJUSTED NET INCOME	\$ 8,025	\$ 11,415	\$ 10,357	\$ 12,366	\$ 42,163	\$ 7,645
EARNINGS (LOSS) PER COMMON SHARE (Diluted)	\$ (0.88)	\$ 0.30	\$ (0.34)	\$ (1.05)	\$ (1.97)	\$ (0.23)
LESS:						
Restructuring related inventory charges	0.02	0.05	—	0.04	0.12	0.16
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	(0.43)
Income tax impact	(0.39)	(0.55)	0.05	0.61	(0.28)	0.19
ADJUSTED EARNINGS PER SHARE (Diluted)	\$ 0.40	\$ 0.57	\$ 0.52	\$ 0.62	\$ 2.11	\$ 0.38

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
NET INCOME (LOSS)	\$ (17,441)	\$ 5,902	\$ (6,841)	\$ (21,005)	\$ (39,384)	\$ (4,633)
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)	(12,836)
Benefit from (provision for) income taxes	5,879	7,646	(2,537)	(14,278)	(3,290)	(5,079)
EBITDA	\$ 8,144	\$ 31,450	\$ 29,095	\$ 26,138	\$ 94,828	\$ 32,405
LESS:						
Restructuring related inventory charges	(473)	(1,067)	—	(864)	(2,404)	(3,142)
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)	8,678
ADJUSTED EBITDA	\$ 27,663	\$ 34,517	\$ 31,851	\$ 33,638	\$ 127,669	\$ 27,732

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
GAAP OPERATING INCOME (LOSS)	\$ (13,380)	\$ 8,252	\$ 8,216	\$ 6,296	\$ 9,384	\$ 11,712
LESS:						
Restructuring related inventory charges	473	1,067	—	864	2,404	3,142
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	12,077
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	(8,678)
ADJUSTED OPERATING INCOME	\$ 19,773	\$ 24,821	\$ 24,447	\$ 27,543	\$ 96,584	\$ 20,239
GAAP OPERATING MARGIN	(4.9)%	2.7%	2.8 %	2.1%	0.8%	4.3 %
LESS:						
Restructuring related inventory charges	0.2 %	0.4%	— %	0.3%	0.2%	1.2 %
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%	(3.2)%
ADJUSTED OPERATING MARGIN	7.2 %	8.2%	8.2 %	9.1%	8.2%	7.5 %
Impact of Divestitures	0.5 %	—%	(0.3)%	0.2%	0.1%	0.1 %
ADJUSTED OPERATING MARGIN EXCLUDING DIVESTITURES	7.7 %	8.2%	7.9 %	9.3%	8.3%	7.6 %

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

	Industrial		Energy		Aerospace & Defense		CIRCOR	
ORDERS	\$	%	\$	%	\$	%	\$	%
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	
NET REVENUE	\$	%	\$	%	\$	%	\$	%
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>	