

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): November 14, 2022



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

Delaware  
(State or other jurisdiction  
of incorporation or organization)

001-14962  
(Commission File Number)

04-3477276  
(I.R.S. Employer  
Identification No.)

30 CORPORATE DRIVE, SUITE 200  
Burlington, MA  
(Address of principal executive offices)

01803-4238  
(Zip Code)

(781) 270-1200  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 14, 2022, CIRCOR International, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended October 2, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

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.

Item 7.01.

Presentation slides discussing the Company's quarterly operating results are attached to this Current Report on Form 8-K, as Exhibit 99.2, and are incorporated herein by reference. The information in this Item 7.01 of Form 8-K and the attached Exhibit 99.2 shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
<a href="#">99.1</a>	CIRCOR Reports Financial Results for Third Quarter Ended October 2, 2022
<a href="#">99.2</a>	Third Quarter 2022 Investor Review Presentation
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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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.

November 14, 2022

**CIRCOR INTERNATIONAL, INC.**

/s/ Jessica W. Wenzell

Jessica W. Wenzell

General Counsel & Chief People Officer

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**Exhibit 99.1****CIRCOR Reports Financial Results for Third Quarter Ended October 2, 2022**

- *GAAP EPS of \$1.54, Up 1285% YoY; Adjusted EPS of \$0.69, Up 103% YoY*
- *GAAP Operating Income of \$42.6 Million, Up 1133% YoY; Adjusted Operating Income of \$27.3 Million, Up 70% YoY*
- *Orders up 18% Reported and 26% Organically*
- *Progressing with Review of Strategic Alternatives*

**Burlington, Mass., November 14, 2022**

CIRCOR International, Inc. (NYSE: CIR) (“CIRCOR” or “the Company”), one of the world’s leading providers of mission critical flow control products and services for the Industrial and Aerospace & Defense markets, today announced financial results for the third quarter ended October 2, 2022.

**Q3 2022 Overview:**

- Revenue of \$195 million up 3% reported and 10% organically compared to Q3’2021
  - Aerospace & Defense revenue of \$72 million, up 14% reported and 18% organically
  - Industrial revenue of \$123 million, down (2%) reported and up 6% organically
- Orders of \$228 million, up 18% and 26% organically
  - Aerospace & Defense orders of \$90 million, up 67% and 74% organically
  - Industrial orders of \$138 million, down (1%) and up 8% organically
- Backlog of \$497 million, up 14% driven by strong demand in both Aerospace & Defense and Industrial segments
- GAAP operating income of \$42.6 million, up 1133%
- GAAP operating margin of 21.8%, up 2000 bps
- Adjusted operating income \$27.3 million, up 70%
- Adjusted operating margin of 14%, up 550 bps

CIRCOR President and CEO, Tony Najjar said, “Our team performed extremely well in the third quarter, exceeding expectations. We delivered a great quarter with strong organic orders, revenue growth and expanded operating margin. Organic orders grew 26%, driven by exceptional performance in A&D, which delivered 74% growth in organic orders. I am particularly pleased with our win rate on key missile programs, our orders growth in medical products, and our sustained momentum in commercial aerospace as that market continues its recovery. In our Industrial segment, we are leveraging our aftermarket position to deliver strong pricing, enabling us to overcome the impact of inflation and generate solid margin expansion.”

Mr. Najjar continued, “Both Industrial and A&D benefited from disciplined execution of our strategic priorities to drive revenues and operating income growth. Our results underscore our emphasis on value pricing, our strong aftermarket position, and operational simplification/cost out actions. We grew adjusted operating income by 70% and drove 550 bps improvement in adjusted operating margin despite inflation pressure, ongoing supply chain and logistics challenges, and rising energy costs. With the actions taken, and continued operating discipline and focus on our customers, we have positioned both segments to deliver sustained growth and shareholder value.”

## Conference Call Information

CIRCOR International will hold a conference call to review its third-quarter 2022 financial results at 9:00 a.m. ET today, November 14, 2022. 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. <https://investors.circor.com/>. The live call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. Participants are encouraged to dial in to the call at least 15 minutes prior to the start time. The webcast will be archived on the Company’s website for one year.

### Selected Consolidated Results (unaudited)

(\$ millions except EPS)	Q3 2022	Q3 2021	Change	Nine Months Ended October 2, 2022	Nine Months ended October 3, 2021	Change
Revenue <sup>1</sup>	\$ 195.4	\$ 189.7	3 %	\$ 572.4	\$ 553.8	3 %
GAAP operating (loss) income	42.6	3.5	1133 %	42.6	(10.4)	510 %
Adjusted operating income <sup>2</sup>	27.3	16.0	70 %	54.3	33.8	61 %
GAAP operating margin	21.8 %	1.8 %	2000 bps	7.5 %	(1.9)%	940 bps
Adjusted operating margin <sup>3</sup>	14.0 %	8.5 %	550 bps	9.5 %	6.1 %	340 bps
GAAP (loss) per share	\$ 1.54	\$ (0.13)	1285 %	\$ 0.68	\$ (1.65)	141 %
Adjusted earnings per share (diluted)	\$ 0.69	\$ 0.34	103 %	\$ 1.06	\$ 0.56	89 %
Operating cash flow	(9.8)	10.2	-196 %	(29.3)	(0.1)	-29200 %
Adjusted free cash flow <sup>5</sup>	(14.0)	5.7	-347 %	(42.5)	(10.7)	-297 %
Orders <sup>6</sup>	\$ 228.3	\$ 193.7	18 %	\$ 657.3	\$ 630.6	4 %

### Segment Results (unaudited)

(\$ in millions)	Q3 2022	Q3 2021	Change	Nine Months Ended October 2, 2022	Nine Months ended October 3, 2021	Change
<b>Aerospace &amp; Defense</b>						
Revenue	\$ 72.2	\$ 63.5	14 %	\$ 202.9	\$ 182.6	11 %
Segment operating income	16.9	15.9	6 %	41.8	37.7	11 %
Segment operating margin	23.4 %	25.1 %	-170 bps	20.6 %	20.6 %	0 bps
Orders <sup>6</sup>	\$ 90.5	\$ 54.0	67 %	\$ 237.4	\$ 181.3	31 %
<b>Industrial</b>						
Revenue <sup>1</sup>	\$ 123.1	\$ 126.2	-2 %	\$ 369.5	\$ 371.2	— %
Segment operating income <sup>2</sup>	15.7	7.1	121 %	31.1	20.2	54 %
Segment operating margin <sup>3</sup>	12.8 %	5.6 %	720 bps	8.4 %	5.4 %	300 bps
Orders <sup>6</sup>	\$ 137.8	\$ 139.7	-1 %	\$ 420.9	\$ 449.3	-6 %

1. Consolidated and Industrial segment revenues for Q3 2022 and Q3 2021 included \$0.0 million and \$3.2 million, respectively, relating to our Pipeline Engineering business.

2. Adjusted operating income is a non-GAAP financial measure. Refer to “Use of Non-GAAP Financial Measures” for an explanation of our non-GAAP financial measures and to the reconciliations included in this press release. Adjusted operating income and Industrial segment operating income for Q3 2022 and Q3 2021 included \$(0.1) million and \$(2.5) million, respectively, relating to our Pipeline Engineering business.

3. Adjusted operating margin is a non-GAAP financial measure. Adjusted operating margin for Q3 2022 and Q3 2021 included (1875)% and (76)%, respectively, relating to our Pipeline Engineering business.

4. Adjusted earnings per share (diluted) is a non-GAAP financial measure. Adjusted earnings per share and our segment results for Q3 2022 exclude net gain from non-cash acquisition-related intangible amortization and special and restructuring charges of \$15.2 million, consisting of (i) \$10.4 million for non-cash acquisition-related intangible amortization and depreciation expense; (ii) \$0.1 million of costs due to the investigation into the accounting irregularities of the Pipeline Engineering business and incremental professional services incurred due to the restatement; (iii) \$0.2 million of special charges related to the evaluation of strategic alternatives for the company; (iv) other special and restructuring charges net of \$0.1 million; and (v) a gain of \$26.0 million on the sale of real estate located at Corona, California. Adjusted consolidated and segment results for Q3 2021 exclude net income from discontinued operations of \$2.5 million and net loss from non-cash acquisition-related intangible amortization, special and restructuring charges totaling \$12.6 million. These charges include: (i) \$11.8 million for non-cash acquisition-related intangible amortization and depreciation expense; and (ii) \$0.8 million of other special and restructuring recoveries.

5. *Adjusted free cash flow, a non-GAAP financial measure, is calculated by subtracting GAAP capital expenditures, net of proceeds from asset sales, from GAAP operating cash flow.*
6. *Orders, an operating measure, is defined as a legally binding agreement from an authorized individual at a customer requesting CIRCOR to provide goods and/or services at a fixed or determinable price and CIRCOR is capable of providing such goods and services, when the terms and conditions are firm enough to assure subsequent payment by the customer. Consolidated and Industrial segment orders for Q3 2022 and Q3 2021 included \$0.0 million and \$6.6 million, respectively, relating to our Pipeline Engineering business. As previously disclosed in our Form 10-K for the year ended December 31, 2021, the Company discovered accounting irregularities in its Pipeline Engineering business unit resulting in a restatement of previously issued financial statements.*

## **Company Files Quarterly Report on Form 10-Q for the Period Ended October 2, 2022**

The Company today filed its Quarterly Report on Form 10-Q for the third quarter of 2022.

### **Use of Non-GAAP Financial Measures**

In this press release, the Company uses the non-GAAP financial measures adjusted net income, adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted earnings per share and adjusted free cash flow. Non-GAAP financial measures are used by management in our financial and operating decision making because we believe they reflect our ongoing business and facilitate period-to-period comparisons. We believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating CIRCOR's current operating performance and future prospects in the same manner as management does if they so choose. These non-GAAP financial measures can also assist investors and others in comparing CIRCOR's current financial results with CIRCOR's past financial results in a consistent manner.

We exclude costs and tax effects associated with special and restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to special and 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 exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements. We exclude the results of discontinued operations. We exclude goodwill impairment charges. We exclude these costs because we do not believe they are indicative of our normal operating costs.

Due to the significance of recently sold or exited businesses and to provide a comparison of changes in our revenue and orders (an operating measure), we also discuss these changes on an "organic" basis. Organic is calculated assuming the divestitures and/or exited businesses completed prior to July 3, 2022 were completed on January 1, 2021 and excluding the impact of changes in foreign currency exchange rates.

CIRCOR's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the Company's operating performance and comparing such performance to that of prior periods and to the performance of our peers. We use such measures when publicly providing our business outlook, assessing future earnings potential, evaluating potential acquisitions and dispositions and in our financial and operating decision-making process, including for compensation purposes.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting

principles generally accepted in the United States. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is included in this news release.

**About CIRCOR International, Inc.**

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

**Cautionary Note Regarding Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the expectations the Company describes in its forward-looking statements. Substantial reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Important factors that could cause actual results to differ materially from expectations include, but are not limited to the inability to achieve expected results in pricing and cost out actions and the related impact on margins and cash flow; the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; the remediation of the material weaknesses in the Company's internal controls over financial reporting or other potential weaknesses of which the Company is not currently aware or which have not been detected; the timing of the Company regaining compliance with the NYSE's continued listing standards; the timing and outcome, if any, of the Company's strategic alternatives review; 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 COVID-19, rising inflation, increasing interest rates, natural disasters, military conflicts, including the conflict between Russia and Ukraine, terrorist attacks and other similar matters; and the risks detailed from time to time in the Company's periodic reports filed with the SEC. Before making any investment decisions regarding CIRCOR, the Company strongly advises you to read the section entitled "Risk Factors" in its 2021 Annual Report on Form 10-K, which can be accessed under the "Investors" link of the Company's website at [www.circor.com](http://www.circor.com). The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Contact:**

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

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

	Three Months Ended		Nine Months Ended	
	October 2, 2022	As Restated October 3, 2021	October 2, 2022	As Restated October 3, 2021
<b>Net revenues</b>	\$ 195,362	\$ 189,709	\$ 572,392	\$ 553,750
Cost of revenues	128,116	131,898	391,660	387,943
<b>Gross profit</b>	67,246	57,811	180,732	165,807
Selling, general and administrative expenses	50,392	53,546	160,517	169,371
Special and restructuring (recoveries) charges, net	(25,702)	814	(22,430)	6,808
<b>Operating income (loss)</b>	42,556	3,451	42,645	(10,372)
Other expense (income):				
Interest expense, net	11,821	7,997	31,481	24,325
Other (income), net	(2,396)	(256)	(5,321)	(3,301)
Total other expense, net	9,425	7,741	26,160	21,024
Income (loss) from continuing operations before income taxes	33,131	(4,290)	16,485	(31,396)
Provision for income taxes	1,661	850	2,536	3,206
Income (loss) from continuing operations, net of tax	31,470	(5,140)	13,949	(34,602)
Income from discontinued operations, net of tax	—	2,510	—	1,393
<b>Net income (loss)</b>	\$ 31,470	\$ (2,630)	\$ 13,949	\$ (33,209)
<b>Basic income (loss) per common share:</b>				
Basic from continuing operations	\$ 1.55	\$ (0.25)	\$ 0.69	\$ (1.72)
Basic from discontinued operations	\$ —	\$ 0.12	\$ —	\$ 0.07
Net income (loss)	\$ 1.55	\$ (0.13)	\$ 0.69	\$ (1.65)
<b>Diluted income (loss) per common share:</b>				
Diluted from continuing operations	\$ 1.54	\$ (0.25)	\$ 0.68	\$ (1.72)
Diluted from discontinued operations	\$ —	\$ 0.12	\$ —	\$ 0.07
Net income (loss)	\$ 1.54	\$ (0.13)	\$ 0.68	\$ (1.65)
<b>Weighted average number of common shares outstanding:</b>				
Basic	20,364	20,257	20,345	20,181
Diluted	20,410	20,257	20,410	20,181



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

	Nine Months Ended	
	October 2, 2022	As Restated October 3, 2021
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 13,949	\$ (33,209)
Income from discontinued operations, net of income taxes	—	1,393
Income (loss) from continuing operations, net of tax	13,949	(34,602)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	15,012	17,505
Amortization	27,704	31,929
Change in provision for bad debt expense	(263)	(383)
Write down of inventory	1,797	1,742
Compensation expense for share-based plans	980	4,165
Loss on debt extinguishment	4,977	—
Amortization of debt issuance costs	2,672	3,032
Deferred tax provision	45	823
Loss on sale of businesses	—	1,308
Gain on sale of real estate	(47,977)	—
Other impairment charges	8,011	—
Loss on deconsolidation charges	4,675	—
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Trade accounts receivable	(1,116)	8,686
Inventories	(28,364)	(11,621)
Prepaid expenses and other assets	(25,387)	(26,686)
Accounts payable, accrued expenses and other liabilities	(6,047)	6,439
Net cash (used in) provided by continuing operating activities	(29,332)	2,337
Net cash used in discontinued operating activities	—	(2,484)
<b>Net cash used in operating activities</b>	<b>(29,332)</b>	<b>(147)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(13,291)	(10,579)
Proceeds from the sale of property, plant and equipment	82	2
Proceeds from the sale of real estate	54,945	—
Proceeds from beneficial interest of factored receivables	3,461	1,531
Proceeds from the sale of business	—	9,993
<b>Net cash provided by investing activities</b>	<b>45,197</b>	<b>947</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	180,441	145,550
Payments of long-term debt	(182,166)	(148,450)
Net change in short-term borrowings	(1,573)	(225)
Proceeds from the exercise of stock options	—	151
Withholding tax payments on net share settlements on equity awards	(1,299)	(4,154)
Payment of debt issuance costs	(16,701)	—
<b>Net cash used in financing activities</b>	<b>(21,298)</b>	<b>(7,128)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7,096)	(2,834)
<b>DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(12,529)</b>	<b>(9,162)</b>
Cash, cash equivalents, and restricted cash at beginning of period	61,374	68,607
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 48,845</b>	<b>\$ 59,445</b>

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

	October 2, 2022	December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 47,131	\$ 59,924
Trade accounts receivable, net	95,407	100,149
Inventories	137,411	123,343
Prepaid expenses and other current assets	125,409	110,749
Total Current Assets	405,358	394,165
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	130,442	154,461
<b>OTHER ASSETS:</b>		
Goodwill	117,542	122,906
Intangibles, net	257,839	303,476
Lease right-of-use assets, net	40,836	21,139
Deferred income taxes	637	756
Other assets	27,323	22,395
<b>TOTAL ASSETS</b>	<b>\$ 979,977</b>	<b>\$ 1,019,298</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 71,601	\$ 83,382
Accrued expenses and other current liabilities	73,505	81,998
Accrued compensation and benefits	31,817	26,551
Short-term borrowings and current portion of long-term debt	—	1,611
Total Current Liabilities	176,923	193,542
<b>LONG-TERM DEBT</b>	501,754	511,694
<b>DEFERRED INCOME TAXES</b>	18,101	21,721
<b>PENSION LIABILITY, NET</b>	104,438	120,881
<b>LONG-TERM LEASE LIABILITIES</b>	37,155	17,715
<b>OTHER NON-CURRENT LIABILITIES</b>	19,524	20,029
<b>COMMITMENTS AND CONTINGENCIES (NOTE 9 AND 10)</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; no shares issued and outstanding at October 2, 2022 and December 31, 2021	—	—
Common stock, \$0.01 par value; 29,000,000 shares authorized; 21,735,838 and 21,633,131 issued at October 2, 2022 and December 31, 2021 respectively	218	217
Additional paid-in capital	455,208	454,852
Accumulated deficit	(184,132)	(198,081)
Common treasury stock, at cost (1,372,488 shares at October 2, 2022 and December 31, 2021)	(74,472)	(74,472)
Accumulated other comprehensive loss, net of tax	(74,740)	(48,800)
Total Shareholders' Equity	122,082	133,716
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 979,977</b>	<b>\$ 1,019,298</b>

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

	Three Months Ended		Nine Months Ended	
	October 2, 2022	October 3, 2021	October 2, 2022	October 3, 2021
<b>ORDERS (1)</b>				
Aerospace & Defense	\$ 90.5	\$ 54.0	\$ 237.40	\$ 181.3
Industrial	137.8	139.7	420.9	449.3
Total orders	<u>\$ 228.3</u>	<u>\$ 193.7</u>	<u>\$ 658.3</u>	<u>\$ 630.6</u>

	October 2, 2022	October 3, 2021
<b>BACKLOG (2)</b>		
Aerospace & Defense	\$ 214.0	\$ 180.9
Industrial	282.9	254.9
Total backlog	<u>\$ 496.9</u>	<u>\$ 435.8</u>

1. Orders do not include the foreign exchange impact due to the re-measurement of customer backlog amounts denominated in foreign currencies. Industrial includes \$0.0 million and \$6.6 million of orders for Pipeline Engineering for the three months ended October 2, 2022 and October 3, 2021 respectively. Industrial includes \$2.3 million and \$17.3 million of orders for Pipeline Engineering for the nine months ended October 2, 2022 and October 3, 2021 respectively.

2. Backlog is calculated as current period orders plus unshipped customer orders from prior periods for which revenue has not been recognized. Industrial includes \$0.0 million and \$0.8 million for Pipeline Engineering in 2022 and 2021 respectively.

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

As reported	2021 As Restated						2022											
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL		1ST QTR	2ND QTR	3RD QTR	TOTAL								
ORDERS																		
Aerospace & Defense	\$	72,999	\$	54,243	\$	54,028	\$	73,898	\$	255,168	\$	77,890	\$	69,053	\$	90,486	\$	237,429
Industrial		153,695		155,959		139,691		146,065		595,410		143,727		139,370		137,848		420,945
Total	\$	226,693	\$	210,203	\$	193,719	\$	219,964	\$	850,578	\$	221,617	\$	208,423	\$	228,334	\$	658,374
NET REVENUES																		
Aerospace & Defense	\$	58,488	\$	60,613	\$	63,461	\$	69,979	\$	252,541	\$	63,370	\$	67,271	\$	72,219	\$	202,860
Industrial		117,963		126,977		126,248		134,938		506,126		122,285		124,105		123,143		369,532
Total	\$	176,451	\$	187,590	\$	189,709	\$	204,917	\$	758,667	\$	185,655	\$	191,376	\$	195,362	\$	572,392
SEGMENT OPERATING INCOME																		
Aerospace & Defense	\$	9,988	\$	11,741	\$	15,927	\$	18,416	\$	56,073	\$	11,320	\$	13,566	\$	16,891	\$	41,777
Industrial		5,834		7,237		7,124		8,700		28,896		6,857		8,484		15,717		31,059
Corporate expenses		(9,035)		(7,950)		(7,017)		(6,636)		(30,638)		(7,770)		(5,485)		(5,301)		(18,557)
Total	\$	6,787	\$	11,028	\$	16,034	\$	20,480	\$	54,331	\$	10,407	\$	16,565	\$	27,307	\$	54,279
SEGMENT OPERATING MARGIN %																		
Aerospace & Defense		17.1 %		19.4 %		25.1 %		26.3 %		22.2 %		17.9 %		20.2 %		23.4 %		20.6 %
Industrial		4.9 %		5.7 %		5.6 %		6.4 %		5.7 %		5.6 %		6.8 %		12.8 %		8.4 %
Total		3.8 %		5.9 %		8.5 %		10.0 %		7.2 %		5.6 %		8.7 %		14.0 %		9.5 %
	2021						2022											
Pipeline Engineering¹	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL		1ST QTR	2ND QTR	3RD QTR	TOTAL								
ORDERS - Industrial	\$	5,531	\$	5,192	\$	6,575	\$	7,121	\$	24,419	\$	2,260	\$	—	\$	—	\$	2,260
NET REVENUES - Industrial	\$	2,994	\$	3,124	\$	3,236	\$	5,248	\$	14,602	\$	3,012	\$	218	\$	8	\$	3,238
SEGMENT OP. INC. -Industrial	\$	(2,479)	\$	(1,754)	\$	(2,470)	\$	(3,191)	\$	(9,893)	\$	(3,190)	\$	(1,074)	\$	(150)	\$	(4,414)
Segment Operating Margin %		(82.8)%		(56.1)%		(76.3)%		(60.8)%		(67.8)%		(105.9)%		(492.7)%		(1875.0)%		(136.3)%

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES**  
(in thousands, except percentages) (unaudited)

	2021 As Restated					2022				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL	
Net Cash (Used In) Provided By Operating Activities	\$ (19,210)	\$ 8,866	\$ 10,197	\$ 10,595	\$ 10,448	\$ (15,924)	\$ (3,593)	\$ (9,815)	\$ (29,332)	
LESS										
Capital expenditures, net of sale proceeds <sup>1</sup>	3,392	2,644	4,541	4,168	14,745	3,592	5,461	4,156	13,209	
ADJUSTED FREE CASH FLOW	\$ (22,602)	\$ 6,222	\$ 5,656	\$ 6,427	\$ (4,297)	\$ (19,516)	\$ (9,054)	\$ (13,971)	\$ (42,541)	
Gross Debt	\$ 538,541	\$ 524,391	\$ 518,464	\$ 526,311	\$ 526,311	\$ 547,681	\$ 543,100	\$ 522,975	\$ 522,975	
Less: Cash & Cash equivalents	64,837	58,862	58,013	59,924	59,924	61,122	55,238	47,131	47,131	
GROSS DEBT, NET OF CASH	\$ 473,704	\$ 465,529	\$ 460,451	\$ 466,387	\$ 466,387	\$ 486,559	\$ 487,862	\$ 475,844	\$ 475,844	
TOTAL SHAREHOLDERS' EQUITY	\$ 138,663	\$ 122,185	\$ 121,256	\$ 133,716	\$ 133,716	\$ 110,321	\$ 103,663	\$ 122,082	\$ 122,082	
GROSS DEBT AS % OF EQUITY	388 %	429 %	428 %	394 %	394 %	496 %	524 %	428 %	428 %	
GROSS DEBT, NET OF CASH AS % OF EQUITY	342 %	381 %	380 %	349 %	349 %	441 %	471 %	390 %	390 %	

<sup>1</sup> Includes capital expenditures, net of proceeds of asset sales from GAAP operating cash flow.

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES**  
(in thousands, except percentages) (unaudited)

	2021 As Restated					2022				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL	
<b>NET (LOSS) INCOME</b>	\$	(11,796) \$	(18,784) \$	(2,630) \$	(28,427) \$	(61,638) \$	(21,481) \$	3,960 \$	31,470 \$	13,949
<b>LESS:</b>										
Restructuring related inventory charges (recoveries), net	—	958	(60)	(299)	599	2,757	—	—	2,757	
Restructuring charges (recoveries), net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969	
Acquisition amortization	10,487	10,498	10,417	10,369	41,772	9,391	9,178	9,118	27,687	
Acquisition depreciation	2,375	1,327	1,412	1,397	6,511	1,045	1,239	1,335	3,620	
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)	
Goodwill Impairment charge	—	—	—	10,500	10,500	—	—	—	—	
Income tax impact	(44)	2,425	(596)	(1,622)	163	384	(2,207)	(2,066)	(3,889)	
Net loss (income) from discontinued operations	239	878	(2,510)	(13)	(1,406)	—	—	—	—	
<b>ADJUSTED NET INCOME</b>	<b>\$</b>	<b>451 \$</b>	<b>4,106 \$</b>	<b>6,847 \$</b>	<b>9,369 \$</b>	<b>20,773 \$</b>	<b>1,099 \$</b>	<b>6,440 \$</b>	<b>14,155 \$</b>	<b>21,694</b>
<b>(LOSS) EARNINGS PER COMMON SHARE (Diluted)</b>	<b>\$</b>	<b>(0.59) \$</b>	<b>(0.93) \$</b>	<b>(0.13) \$</b>	<b>(1.40) \$</b>	<b>(3.05) \$</b>	<b>(1.06) \$</b>	<b>0.19 \$</b>	<b>1.54 \$</b>	<b>0.68</b>
<b>LESS:</b>										
Restructuring related inventory charges	—	0.05	—	(0.01)	0.03	0.14	—	—	0.14	
Restructuring charges (recoveries), net	0.10	0.11	(0.02)	0.01	0.21	0.32	0.23	(0.01)	0.54	
Acquisition amortization	0.52	0.52	0.51	0.51	2.07	0.46	0.45	0.45	1.36	
Acquisition depreciation	0.12	0.07	0.07	0.07	0.32	0.05	0.06	0.07	0.18	
Special (recoveries) charges, net	(0.14)	0.22	0.06	0.85	0.99	0.13	(0.51)	(1.25)	(1.64)	
Impairment charge	—	—	—	0.52	0.52	—	—	—	—	
Income tax impact	—	0.12	(0.03)	(0.08)	0.01	0.02	(0.11)	(0.10)	(0.19)	
(Loss) earnings) per share from discontinued operations	0.01	0.04	(0.12)	—	(0.07)	—	—	—	—	
<b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>	<b>\$</b>	<b>0.02 \$</b>	<b>0.20 \$</b>	<b>0.34 \$</b>	<b>0.46 \$</b>	<b>1.03 \$</b>	<b>0.05 \$</b>	<b>0.32 \$</b>	<b>0.69 \$</b>	<b>1.06</b>

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES**  
(in thousands, except percentages) (unaudited)

	2021 As Restated					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
<b>NET (LOSS) INCOME</b>	\$ (11,796)	\$ (18,784)	\$ (2,629)	\$ (28,426)	\$ (61,635)	\$ (21,481)	\$ 3,960	\$ 31,470	\$ 13,949
LESS:									
Interest expense, net	8,369	7,958	7,997	8,040	32,365	9,456	10,203	11,821	31,480
Depreciation	6,509	5,460	5,536	5,348	22,854	5,000	5,056	4,956	15,012
Amortization	10,696	10,657	10,576	10,375	42,304	9,397	9,183	9,124	27,704
Provision for income taxes	(297)	2,659	850	1,970	5,182	1,523	(647)	1,661	2,536
Loss (income) from discontinued operations	239	878	(2,510)	(13)	(1,406)	—	—	—	—
<b>EBITDA</b>	\$ 13,720	\$ 8,828	\$ 19,820	\$ (2,706)	\$ 39,664	\$ 3,895	\$ 27,755	\$ 59,032	\$ 90,681
LESS:									
Restructuring related inventory charges (recoveries)	—	958	(60)	(299)	599	2,757	—	—	2,757
Restructuring charges (recoveries), net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)
Goodwill impairment charge	—	—	—	10,500	10,500	—	—	—	—
<b>ADJUSTED EBITDA</b>	\$ 12,910	\$ 16,590	\$ 20,574	\$ 24,959	\$ 75,035	\$ 15,655	\$ 22,025	\$ 33,330	\$ 71,008

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES**  
(in thousands, except percentages) (unaudited)

	2021 As Restated					2022				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL	
<b>OPERATING (LOSS) INCOME</b>	\$ (5,266)	\$ (8,557)	\$ 3,451	\$ (18,952)	\$ (29,323)	\$ (11,789)	\$ 11,878	\$ 42,556	\$ 42,645	
LESS:										
Restructuring related inventory charges (recoveries)	—	958	(60)	(299)	599	2,757	—	—	2,757	
Restructuring charges (recoveries), net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969	
Acquisition amortization	10,487	10,498	10,417	10,369	41,772	9,391	9,178	9,118	27,687	
Acquisition depreciation	2,375	1,327	1,412	1,397	6,511	1,045	1,239	1,335	3,620	
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)	
Goodwill impairment charge	—	—	—	10,500	10,500	—	—	—	—	
<b>ADJUSTED OPERATING INCOME</b>	<b>\$ 6,787</b>	<b>\$ 11,029</b>	<b>\$ 16,034</b>	<b>\$ 20,479</b>	<b>\$ 54,331</b>	<b>\$ 10,407</b>	<b>\$ 16,565</b>	<b>\$ 27,307</b>	<b>\$ 54,279</b>	
<b>OPERATING MARGIN</b>	<b>(3.0)%</b>	<b>(4.6)%</b>	<b>1.8 %</b>	<b>(9.2)%</b>	<b>(3.9)%</b>	<b>(6.3)%</b>	<b>6.2 %</b>	<b>21.8 %</b>	<b>7.5 %</b>	
LESS:										
Restructuring related inventory charges (recoveries)	0.0 %	0.5 %	0.0 %	(0.1)%	0.1 %	1.5 %	0.0 %	0.0 %	0.5 %	
Restructuring charges (recoveries), net	1.2 %	1.2 %	(0.2)%	0.1 %	0.6 %	3.5 %	2.5 %	(0.1)%	1.9 %	
Acquisition amortization	5.9 %	5.6 %	5.5 %	5.1 %	5.5 %	5.1 %	4.8 %	4.7 %	4.8 %	
Acquisition depreciation	1.3 %	0.7 %	0.7 %	0.7 %	0.9 %	0.6 %	0.6 %	0.7 %	0.6 %	
Special (recoveries) charges, net	(1.6)%	2.4 %	0.6 %	8.4 %	2.6 %	1.4 %	(5.4)%	(13.1)%	(5.8)%	
Goodwill impairment charge	0.0 %	0.0 %	0.0 %	5.1 %	1.4 %	0.0 %	0.0 %	0.0 %	0.0 %	
<b>ADJUSTED OPERATING MARGIN</b>	<b>3.8 %</b>	<b>5.9 %</b>	<b>8.5 %</b>	<b>10.0 %</b>	<b>7.2 %</b>	<b>5.6 %</b>	<b>8.7 %</b>	<b>14.0 %</b>	<b>9.5 %</b>	



**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE MEASURES**  
(in thousands, except percentages) (unaudited)

	<b>CIRCOR</b>			<b>Aerospace &amp; Defense</b>			<b>Industrial</b>		
	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>
Reported Orders	228,334	193,719	18 %	90,486	54,028	67 %	137,848	139,691	(1)%
FX	16,620			3,756			12,864		
Organic	244,954	193,719	26 %	94,242	54,028	74 %	150,712	139,691	8 %

	<b>CIRCOR</b>			<b>Aerospace &amp; Defense</b>			<b>Industrial</b>		
	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>	<b>3Q 22</b>	<b>3Q 21</b>	<b>Change</b>
Reported Revenue	195,362	189,709	3 %	72,219	63,461	14 %	123,143	126,248	(2)%
FX	13,680			2,665			11,015		
Organic	209,042	189,709	10 %	74,884	63,461	18 %	134,158	126,248	6 %

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



# Third-Quarter 2022 Earnings Call

November 14, 2022

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## Forward-Looking Statements



This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements that address expectations or projections about the future, including with respect to our expectations for our performance in fiscal year 2022 or business outlook for fiscal year 2023 are forward looking statements. Actual results may differ materially from the expectations the Company describes in its forward-looking statements. Substantial reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Important factors that could cause actual results to differ materially from expectations include, but are not limited to the Company's ability to achieve expected results in pricing and cost out actions and the related impact on margins and cash flow; the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; the remediation of the material weaknesses in the Company's internal control over financial reporting or other potential weaknesses of which the Company is not currently aware or which have not been detected; the timing and outcome, if any, of the Company's strategic alternatives review; the impact on the Company of the situation in Russia and Ukraine; 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 the COVID-19 pandemic, rising inflation, increasing interest rates, natural disasters, military conflicts, including the conflict between Russia and Ukraine, terrorist attacks and other similar matters and the risks detailed from time to time in the Company's periodic reports filed with the SEC. Before making any investment decisions regarding CIRCOR, the Company strongly advises you to read the section entitled "Risk Factors" in its 2021 Annual Report on Form 10-K, which can be accessed under the "Investors" link of the Company's website at [www.circor.com](http://www.circor.com). The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

# Use of Non-GAAP Financial Measures



Within this presentation, the Company uses the non-GAAP financial measures organic revenue, adjusted net income, adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted earnings per share, net debt and adjusted free cash flow. Non-GAAP financial measures are used by management in our financial and operating decision making because we believe they reflect our ongoing business and facilitate period-to-period comparisons. We believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating CIRCOR's current operating performance and future prospects in the same manner as management does if they so choose. These non-GAAP financial measures also allow investors and others to compare CIRCOR's current financial results with CIRCOR's past financial results in a consistent manner. Specifically:

- We exclude the FX impact on revenue as FX can materially change. We believe the FX impact are not indicative to our normal operating revenue.
- We exclude costs and tax effects associated with special and restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to special and 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 exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements.
- We exclude the results of discontinued operations. We exclude goodwill impairment charges. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- Due to the significance of recently sold or exited businesses and to provide a comparison of changes in our revenue and orders (an operating measure), we also discuss these changes on an "organic" basis. Organic is calculated assuming the divestitures and/or exited businesses are completed prior to July 3, 2022, were completed on January 1, 2021, and excluding the impact of changes in foreign currency exchange rates.

- Executive Overview
- 3Q'22 Financial Performance
- FY'22 Guidance
- Market Outlook
- Q&A



**Tony Najjar**  
President &  
Chief Executive Officer



**AJ Sharma**  
Chief Financial Officer  
& SVP, Business Development

- People. Our teams demonstrated strong focus on execution and on our customers, and resilience delivering a great quarter, exceeding expectations.
- Performance. We delivered 26% organic orders growth and 550 bps of margin expansion in the quarter, navigating ongoing supply chain and macroeconomic challenges.
- Progress. We continued to make measurable progress on our strategic priorities: margin expansion, growth, and de-levering our balance sheet.



## 3Q'22 Highlights



### YOY 3Q '22 Compare

Organic orders	+26%
Backlog	+14%
Revenue	+3%
Organic revenue	+10%
AOI (%)	+550 bps
AOI (\$)	+70%
Adjusted EPS	+103%

### Commentary

- A&D organic orders +74% y/y
- Industrial organic orders +8% y/y
- Value pricing and cost-out delivering margin expansion
- Backlog, orders and margin growth position us well for year end and into 2023

Organic revenue, Adjusted Operating Income (AOI), AOI%, and Adjusted EPS are non-GAAP measures.

## Targeted Growth Initiatives



### Missile & Bomb Fuzing Switches and Brushless DC Motors



Quick-response, severe environment, impact and acceleration switches for hypersonic missiles, bombs, and warhead arming

Electric motors for missiles Control Actuation Systems  
Five new missile applications in various stages of development

FY 2021 Orders: \$12M  
YTD 2022 Orders: \$17M  
Estimated Annual Revenue at Full Production Rate: ~\$50M

### Aftermarket Pumps EMEA & APAC



Dedicated aftermarket leader focused on leveraging our large installed base

Value Pricing strategy and leverage of 80/20 principles to maximize value from the products and services we provide

FY 2021 Orders: \$112M  
FY 2022 Orders Outlook: \$137M  
YoY Organic Growth: 22.3%



# 3Q'22 Financial Results Summary



(\$ in millions, except EPS)

CIRCOR	3Q'22	3Q'21	Change
Backlog	\$497	\$436	14%
Orders	228	194	18%
Organic %			26%
Revenue	195	190	3%
Organic %			10%
GAAP operating income	42.6	3.5	1133%
GAAP operating margin	21.8%	1.8%	2000 bps
Adjusted operating income (AOI)	27.3	16.0	70%
AOI%	14.0%	8.5%	550 bps
GAAP Income (Loss) per Share	\$1.54	\$(0.13)	1285%
Adjusted EPS	\$0.69	\$0.34	103%
Adjusted EBITDA	33.3	20.6	62%
Adjusted FCF	\$(14.0)	\$5.7	(347)%

\* Financial results include results from the Pipeline Engineering business, including \$0.0 million of revenue and \$(0.1) million of AOI in Q3'22 and \$6.6 million of orders, \$3.2 million of revenue, and \$(2.5) million of AOI in Q3'21.

## Comments on 3Q'22 Results

- Robust organic orders growth...exceptional growth in A&D supported by broad-base growth in Industrial and downstream markets
- Organic revenue growth across our end markets despite supply chain disruptions and labor constraints
- +550 bps of AOI margin expansion driven by pricing, cost take-out, exit of Pipeline Engineering
- Adjusted EPS growth of +103%...higher AOI partly offset by higher interest cost
- Adjusted FCF impacted by FX headwinds, special charges and select working capital investments

Organic revenue, Adjusted Operating Income (AOI), AOI%, Adjusted EPS, Adjusted EBITDA and Adjusted Free Cash Flow (FCF) are non-GAAP measures.

## 3Q'22 A&D Segment Highlights



(\$ in millions)

Aerospace & Defense	3Q'22	3Q'21	Change	Comments on 3Q'22 Results
Backlog	\$214	\$181	18%	• Exceptional orders growth driven by defense aftermarket, missile programs, medical products and continued commercial aerospace recovery
Orders	90	54	67%	
Organic %			74%	
Revenue	72	64	14%	• Broad-based revenue growth...all businesses delivered organic growth
Organic %			18%	
AOI	\$16.9	\$15.9	6%	• AOI margins down 170bps...difficult prior-year compare
AOI%	23.4%	25.1%	(170) bps	

Organic Revenue, Adjusted Operating Income (AOI), and AOI% are non-GAAP measures.

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## 3Q'22 Industrial Segment Highlights



(\$ in millions)

Industrial	3Q'22	3Q'21	Change
Backlog	\$283	\$255	11%
Orders	138	140	(1)%
Organic %			8%
Revenue	123	126	(2)%
Organic %			6%
AOI	\$15.7	\$7.1	121%
AOI%	12.8%	5.6%	720 bps

### Comments on 3Q'22 Results

- Organic orders growth across end markets and regions
- Continued growth in Core Industrial aftermarket orders
- Organic revenue...all businesses delivered organic growth
- +720 bps AOI margin expansion...pricing, OPEX optimization, and Pipeline Engineering exit

\* Financial results include results from the Pipeline Engineering business including \$0.0 million of revenue and \$(0.1) million of AOI in Q3'22 and \$6.6 million of orders, \$3.2 million of revenue and \$(2.5) million of AOI in Q3'21.

Organic Revenue, Adjusted Operating Income (AOI), and AOI% are non-GAAP measures.

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# Net Debt and Leverage



(\$ in millions)

	2Q'22	3Q'22
Net Debt <sup>1</sup>	\$488	\$476
Adjusted Earnings Before Interest Taxes, Depreciation and Amortization (TTM <sup>2</sup> )	\$83	\$96
Net Leverage <sup>3</sup>	5.9x	5.0x
Compliance Adjusted Earnings Before Interest Taxes, Depreciation and Amortization (TTM)	\$100	\$108
Compliance Leverage <sup>4</sup>	4.9x	4.4x

## Comments on 3Q'22 Results

- Executed ~\$28M of sale and sale-leaseback (SLB) transaction in 3Q
- De-levering throughout the year...cash from sale leasebacks, and expanding EBITDA
- Expect year-end net leverage in the high 4s

Net Debt, Adjusted EBITDA and Compliance Adjusted EBITDA are non-GAAP measures. <sup>1</sup> – Net Debt defined as total debt (Term Loan B and revolvers) less cash or cash equivalents <sup>2</sup> – TTM defined as trailing twelve months <sup>3</sup> – Net Leverage is defined as calculated measure of net debt divided by adjusted earnings before taxes, depreciation and amortization TTM <sup>4</sup> – Compliance Leverage is defined as adjusted EBITDA as per the definition in CIRCOR's credit agreement entered into on December 20, 2021, available at: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001091883/000109188321000033/cir-20211220.htm>.

# FY'22 Guide



(\$ in millions, except EPS)

CIRCOR	FY'22 Prior Guidance Range	FY'22 Current Guidance Range	Change vs. FY'21 (Midpoint)
Revenue	\$757 to \$777	\$772 to \$780	Reported 2% Organic 9%
AOI	\$70 to 78	\$75 to 80	42%
Adjusted EBITDA	\$89 to \$98	\$96 to \$101	31%
Interest Cost	~\$(45)	~\$(45)	39%
Adjusted EPS	\$1.07 to \$1.34	\$1.37 to \$1.52	40%

\*Financial results include results from the Pipeline Engineering business – 3Q'22 YTD \$2.3 million of orders, \$3.2M of revenue and \$(4.4M) in AOI.

## Commentary:

- Expect 4Q AOI segment performance in line with strong 3Q
- Higher corporate costs in 4Q...timing of audit/consulting fees and benefits
- \$13M annualized cost-outs...expect \$6M carryover benefit in 2023
- FX headwinds ~\$7M earnings impact

Adjusted Operating Income (AOI), Adjusted EBITDA and Adjusted EPS are non-GAAP measures. Please see "Reconciliation of Forward-Looking Non-GAAP Measures" in the Appendix for a discussion of the reconciliation of our full year 2022 non-GAAP guidance.

## FY'22 Market Outlook – Orders



Industrial	Vs. PY	Approximate Sales Mix (%)	Growth Drivers
General Industrial		56	Power generation, midstream O&G, new business activities for lithium batteries manufacturing, aftermarket, and pricing
Commercial Marine		15	Strong aftermarket growth supported by pricing and increased utilization
Downstream O&G		20	Flat compared to prior year with strong orders in NA offsetting decline in India
Other		9	Decline driven by non-repeat of multi-year large defense order for US Navy
Aftermarket		40-45	Solid growth supported by pricing and increased utilization

  

Aerospace & Defense	Vs. PY	Approximate Sales Mix (%)	Growth Drivers
Defense		61	Growth driven by the aftermarket, new products for missiles fusing devices and space application, and pricing
Commercial		17	Growth driven by the recovery in the single isle platforms at Airbus and Boeing and the aftermarket supported by pricing and the rebound in air travel
Other		22	Growth driven by new products in the Hydrogen market and increased activities in medical
Aftermarket		25-30	Strength in commercial aero and defense

- Ending 2022 with strong momentum - solid backlog
- Industrial segment:
  - Leveraging strong aftermarket position and deploying value-based pricing
  - Focused on margin expansion and staying ahead of inflation in current macro-economic climate
- A&D segment:
  - Benefitting from ongoing rebound of commercial aerospace market, sustained momentum in defense business, and new products
- Striving for value creation for shareholders through organic revenue and margin growth
  - New product development, value-based pricing, simplification initiatives, cost-out actions
  - Simultaneously pursuing parallel path of potential strategic transaction



INDUSTRIAL  
AEROSPACE & DEFENSE



## Appendix

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## 3Q'22 Organic Orders and Revenue vs. PY



	CIRCOR			Aerospace & Defense			Industrial		
	3Q 22	3Q 21	Variance %	3Q 22	3Q 21	Variance %	3Q 22	3Q 21	Variance %
<b>Reported Orders</b>	\$228,334	\$193,719	18%	\$90,486	\$54,028	67%	\$ 137,848	\$ 139,691	-1%
Divestitures	-	-		-	-		-	-	
FX	16,620			3,756			12,864		
<b>Organic</b>	<b>\$244,954</b>	<b>\$193,719</b>	<b>26%</b>	<b>\$94,242</b>	<b>\$54,028</b>	<b>74%</b>	<b>\$ 150,712</b>	<b>\$ 139,691</b>	<b>8%</b>

  

	CIRCOR			Aerospace & Defense			Industrial		
	3Q 22	3Q 21	Variance %	3Q 22	3Q 21	Variance %	3Q 22	3Q 21	Variance %
<b>Reported Revenue</b>	\$195,362	\$189,709	3%	\$72,219	\$63,461	14%	\$ 123,143	\$ 126,248	-2%
Divestitures	-	-		-	-		-	-	
FX	13,680			2,665			11,015		
<b>Organic</b>	<b>\$209,042</b>	<b>\$189,709</b>	<b>10%</b>	<b>\$74,884</b>	<b>\$63,461</b>	<b>18%</b>	<b>\$ 134,158</b>	<b>\$ 126,248</b>	<b>6%</b>

Organic Revenue is a non-GAAP measure.

# 3Q'22 GAAP Operating (Loss) Income to Adjusted Operating Income



	2021					2022				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL	
<b>GAAP OPERATING (LOSS) INCOME</b>	\$ (5,266)	\$ (8,557)	\$ 3,451	\$ (18,952)	\$ (29,323)	\$ (11,789)	\$ 11,878	\$ 42,556	\$ 42,645	
LESS:										
Restructuring related inventory charges (recoveries)	-	958	(60)	(299)	599	2,757	-	-	2,757	
Restructuring charges (recoveries), net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969	
Acquisition amortization	10,487	10,498	10,417	10,369	41,772	9,391	9,178	9,118	27,687	
Acquisition depreciation	2,375	1,327	1,412	1,397	6,511	1,045	1,239	1,335	3,620	
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)	
Goodwill impairment charge	-	-	-	10,500	10,500	-	-	-	-	
<b>ADJUSTED OPERATING INCOME</b>	<b>\$ 6,787</b>	<b>\$ 11,029</b>	<b>\$ 16,034</b>	<b>\$ 20,479</b>	<b>\$ 54,331</b>	<b>\$ 10,407</b>	<b>\$ 16,565</b>	<b>\$ 27,307</b>	<b>\$ 54,279</b>	
<b>GAAP OPERATING MARGIN</b>	-3.0%	-4.6%	1.8%	-9.2%	-3.9%	-6.3%	6.2%	21.8%	7.5%	
LESS:										
Restructuring related inventory charges (recoveries)	0.0%	0.5%	0.0%	-0.1%	0.1%	1.5%	0.0%	0.0%	0.5%	
Restructuring charges (recoveries), net	1.2%	1.2%	-0.2%	0.1%	0.6%	3.5%	2.5%	-0.1%	1.9%	
Acquisition amortization	5.9%	5.6%	5.5%	5.1%	5.5%	5.1%	4.8%	4.7%	4.8%	
Acquisition depreciation	1.3%	0.7%	0.7%	0.7%	0.9%	0.6%	0.6%	0.7%	0.6%	
Special (recoveries) charges, net	-1.6%	2.4%	0.6%	8.4%	2.6%	1.4%	-5.4%	-13.1%	-5.8%	
Goodwill impairment charge	0.0%	0.0%	0.0%	5.1%	1.4%	0.0%	0.0%	0.0%	0.0%	
<b>ADJUSTED OPERATING MARGIN</b>	<b>3.8%</b>	<b>5.9%</b>	<b>8.5%</b>	<b>10.0%</b>	<b>7.2%</b>	<b>5.6%</b>	<b>8.7%</b>	<b>14.0%</b>	<b>9.5%</b>	

## 3Q'22 GAAP Net (Loss) Income to Adjusted EBITDA



	2021					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
<b>NET (LOSS) INCOME</b>	\$ (11,796)	\$ (18,784)	\$ (2,629)	\$ (28,426)	\$ (61,635)	\$ (21,481)	\$ 3,960	\$ 31,470	\$ 13,949
LESS:									
Interest expense, net	8,369	7,958	7,997	8,040	32,365	9,456	10,203	11,821	31,480
Depreciation	6,509	5,460	5,536	5,348	22,854	5,000	5,056	4,956	15,012
Amortization	10,696	10,657	10,576	10,375	42,304	9,397	9,183	9,124	27,704
Provision for income taxes	(297)	2,659	850	1,970	5,182	1,523	(647)	1,661	2,536
Loss (income) from discontinued operations	239	878	(2,510)	(13)	(1,406)	-	-	-	-
<b>EBITDA</b>	\$ 13,720	\$ 8,828	\$ 19,820	\$ (2,706)	\$ 39,664	\$ 3,895	\$ 27,755	\$ 59,032	\$ 90,681
LESS:									
Restructuring related inventory charges (recoveries)	-	958	(60)	(299)	599	2,757	-	-	2,757
Restructuring charges (recoveries), net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)
Goodwill impairment charge	-	-	-	10,500	10,500	-	-	-	-
<b>ADJUSTED EBITDA</b>	\$ 12,910	\$ 16,590	\$ 20,574	\$ 24,959	\$ 75,035	\$ 15,655	\$ 22,025	\$ 33,330	\$ 71,008

# 3Q'22 GAAP Net (Loss) Income to Adjusted Net Income



	2021					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
<b>NET (LOSS) INCOME</b>	\$ (11,796)	\$ (18,784)	\$ (2,630)	\$ (28,427)	\$ (61,638)	\$ (21,481)	\$ 3,960	\$ 31,470	\$ 13,949
LESS:									
Restructuring related inventory charges	-	958	(60)	(299)	599	2,757	-	-	2,757
Restructuring charges, net	2,060	2,281	(312)	205	4,234	6,447	4,695	(173)	10,969
Acquisition amortization	10,487	10,498	10,417	10,369	41,772	9,391	9,178	9,118	27,687
Acquisition depreciation	2,375	1,327	1,412	1,397	6,511	1,045	1,239	1,335	3,620
Special (recoveries) charges, net	(2,870)	4,523	1,126	17,259	20,038	2,556	(10,425)	(25,529)	(33,399)
Goodwill impairment charge	-	-	-	10,500	10,500	-	-	-	-
Income tax impact	(44)	2,425	(596)	(1,622)	163	384	(2,207)	(2,066)	(3,889)
Net loss (income) from discontinued operations	239	878	(2,510)	(13)	(1,406)	-	-	-	-
<b>ADJUSTED NET INCOME</b>	\$ 451	\$ 4,106	\$ 6,847	\$ 9,369	\$ 20,773	\$ 1,099	\$ 6,440	\$ 14,155	\$ 21,694
<b>(LOSS) EARNINGS PER COMMON SHARE (Diluted)</b>	\$ (0.59)	\$ (0.93)	\$ (0.13)	\$ (1.40)	\$ (3.05)	\$ (1.06)	\$ 0.19	\$ 1.54	\$ 0.68
LESS:									
Restructuring related inventory charges	-	0.05	(0.00)	(0.01)	0.03	0.14	-	-	0.14
Restructuring charges, net	0.10	0.11	(0.02)	0.01	0.21	0.32	0.23	(0.01)	0.54
Acquisition amortization	0.52	0.52	0.51	0.51	2.07	0.46	0.45	0.45	1.36
Acquisition depreciation	0.12	0.07	0.07	0.07	0.32	0.05	0.06	0.07	0.18
Special (recoveries) charges, net	(0.14)	0.22	0.06	0.85	0.99	0.13	(0.51)	(1.25)	(1.64)
Impairment charge	-	-	-	0.52	0.52	-	-	-	-
Income tax impact	(0.00)	0.12	(0.03)	(0.08)	0.01	0.02	(0.11)	(0.10)	(0.19)
Earnings (Loss) per share from discontinued operations	0.01	0.04	(0.12)	(0.00)	(0.07)	-	-	-	-
<b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>	\$ 0.02	\$ 0.20	\$ 0.34	\$ 0.46	\$ 1.03	\$ 0.05	\$ 0.32	\$ 0.69	\$ 1.06

## 3Q'22 Net Cash (Used In) Provided by Operating Activities to Adjusted Free Cash Flow



	2021					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
<b>Net Cash (Used In) Provided By Operating Activities</b>	\$ (19,210)	\$ 8,866	\$ 10,197	\$ 10,595	\$ 10,448	\$ (15,924)	\$ (3,593)	\$ (9,815)	\$ (29,332)
LESS									
Capital expenditures, net of sale proceeds <sup>1</sup>	3,392	2,644	4,541	4,168	14,745	3,592	5,461	4,156	13,209
<b>ADJUSTED FREE CASH FLOW</b>	<b>\$ (22,602)</b>	<b>\$ 6,222</b>	<b>\$ 5,656</b>	<b>\$ 6,427</b>	<b>\$ (4,297)</b>	<b>\$ (19,516)</b>	<b>\$ (9,054)</b>	<b>\$ (13,971)</b>	<b>\$ (42,541)</b>
<b>Gross Debt</b>	\$538,541	\$ 524,391	\$ 518,464	\$526,311	\$526,311	\$547,681	\$ 543,100	\$522,975	\$522,975
Less: Cash & Cash equivalents	64,837	58,862	58,013	59,924	59,924	61,122	55,238	47,131	47,131
<b>GROSS DEBT, NET OF CASH</b>	<b>\$473,704</b>	<b>\$ 465,529</b>	<b>\$ 460,451</b>	<b>\$466,387</b>	<b>\$466,387</b>	<b>\$486,559</b>	<b>\$ 487,862</b>	<b>\$475,844</b>	<b>\$475,844</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$138,663</b>	<b>\$ 122,185</b>	<b>\$ 121,256</b>	<b>\$133,716</b>	<b>\$133,716</b>	<b>\$110,321</b>	<b>\$ 103,663</b>	<b>\$122,082</b>	<b>\$122,082</b>
<b>GROSS DEBT AS % OF EQUITY</b>	<b>388%</b>	<b>429%</b>	<b>428%</b>	<b>394%</b>	<b>394%</b>	<b>496%</b>	<b>524%</b>	<b>428%</b>	<b>428%</b>
<b>GROSS DEBT, NET OF CASH AS % OF EQUITY</b>	<b>342%</b>	<b>381%</b>	<b>380%</b>	<b>349%</b>	<b>349%</b>	<b>441%</b>	<b>471%</b>	<b>390%</b>	<b>390%</b>

## Reconciliation of Forward-Looking Non-GAAP Measures



This presentation contains forward-looking estimates of organic revenue growth, AOI, adjusted EBITDA and adjusted EPS for full year 2022. We provide these non-GAAP measures to investors on a prospective basis for the same reasons (set forth on slide 3 ("Use of Non-GAAP Financial Measures")) that we provide to investors on a historical basis. We are unable to provide a reconciliation of our forward-looking estimate of full year 2022 organic revenue growth, AOI, adjusted EBITDA and adjusted EPS to a forward-looking estimate of full year 2022 GAAP revenue growth, GAAP operating income (loss), GAAP net income (loss) and GAAP EPS because certain information needed to make a reasonable forward-looking estimate of such non-GAAP measures for full year 2022 is difficult to predict and estimate and is often dependent on future events that may be uncertain or outside of our control. Such events may include unanticipated changes in currency exchange rates, our GAAP effective tax rate, unanticipated gains or losses, and other unanticipated non-recurring items not reflective of ongoing operations. Our forward-looking estimates of both GAAP and non-GAAP measures of our financial performance may differ materially from our actual results and should not be relied upon as statements of fact.

