



INDUSTRIAL
AEROSPACE & DEFENSE



Investor Update

Scott Buckhout
January 13, 2021



Safe Harbor

This presentation contains certain statements that are “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995 (the “Act”). The words “may,” “should,” “expect,” “plan,” “intend,” “believe,” “predict,” “potential,” “continue,” and other expressions, which are predictions of or indicate future events and trends and which do not relate to historical matters, identify forward-looking statements, although not all forward-looking statements are accompanied by such words. We believe that it is important to communicate our future expectations to our stockholders, and we, therefore, make forward-looking statements in reliance upon the safe harbor provisions of the Act. However, there may be events in the future that we are not able to accurately predict or control and our actual results may differ materially from the expectations we describe in our forward-looking statements. Forward-looking statements, including statements about the expected and potential direct or indirect impacts of the COVID-19 pandemic on our business and execution of our strategic plan, involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: the duration and severity of the COVID-19 pandemic and its impact on the global economy; any adverse changes in governmental policies; variability of raw material and component pricing; changes in our suppliers’ performance; fluctuations in foreign currency exchange rates; changes in tariffs or other taxes related to doing business internationally; our ability to hire and retain key personnel; our ability to operate our manufacturing facilities at efficient levels including our ability to prevent cost overruns and reduce costs; our ability to generate increased cash by reducing our working capital; our prevention of the accumulation of excess inventory; restructuring or simplification strategies; fluctuations in interest rates; as well as the uncertainty associated with the current worldwide economic conditions and the continuing impact on economic and financial conditions in the United States and around the world, including as a result of COVID-19, Brexit, natural disasters, terrorist attacks, and other similar matters. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ FURTHER ABOUT THESE AND OTHER RISK FACTORS SET FORTH IN THE “RISK FACTORS” OF OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2019, WHICH IS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) AND IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.SEC.GOV, 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 20 for information on the use of non-GAAP financial measures.

Leading Provider of Mission Critical Flow Control Products Globally



CIRCOR COMPANY PROFILE

- Products for mission critical and severe service applications

\$869M
2019 REVENUE

~3,500
EMPLOYEES

- Leader in niche segments with benefits of scale

\$112M
2019 ADJUSTED EBITDA (\$)

~13%
2019 ADJUSTED EBITDA (%)

- Global and diverse end markets with longstanding customer base

Select Brands



- Proven operator with clear roadmap for value creation



Pumps



Three-Screw



Centrifugal



Bottom Unheading Device

Valves

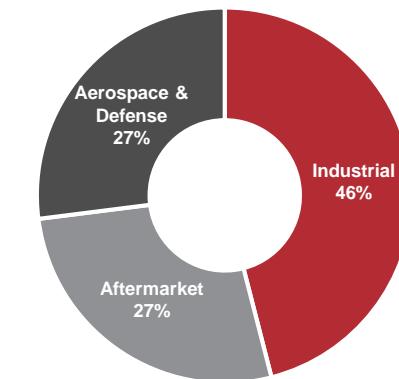


Electromechanical Actuation

Actuation

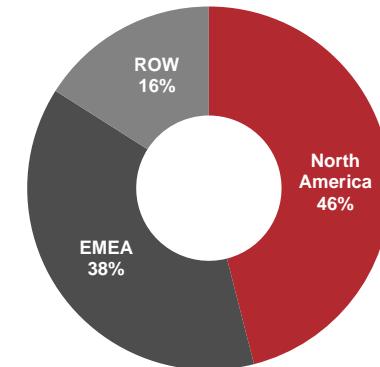
Revenue by End Markets

2019



Revenue by Geography

2019



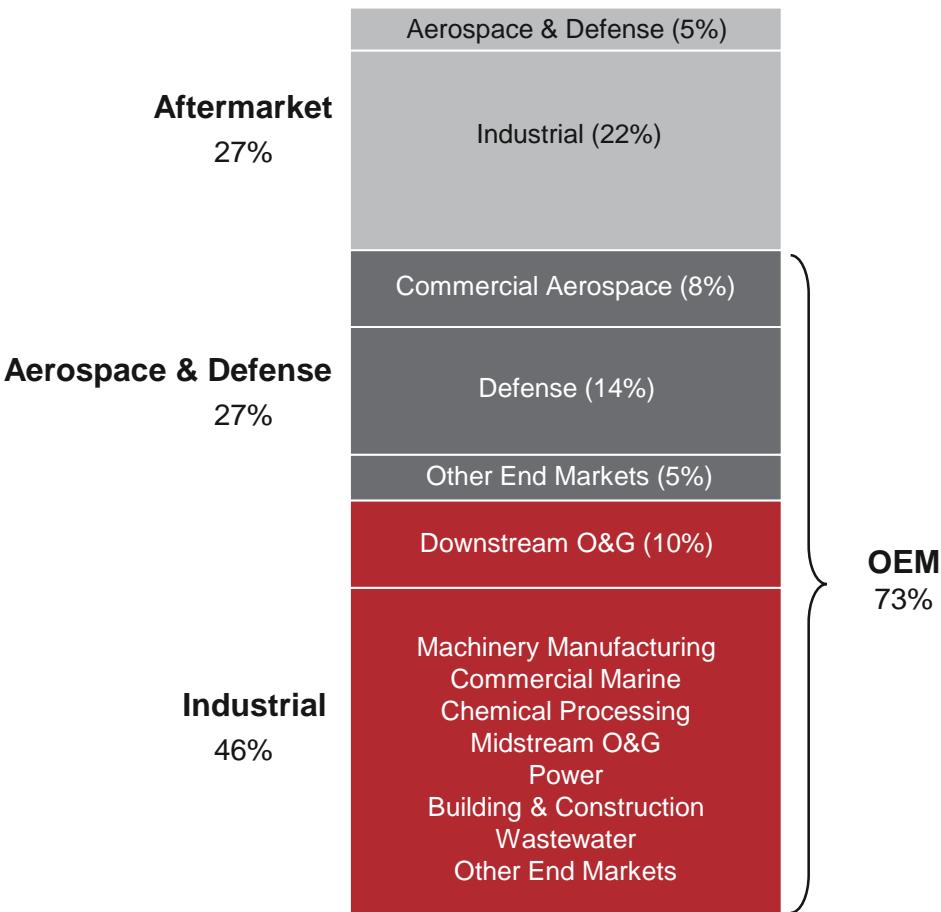
A Leading Supplier Of Mission Critical Flow Control Applications

- **Differentiated technologies with customer specific solutions**
 - Superior technology and custom solutions that serve mission critical markets and sustain a competitive advantage
- **Exceptional aftermarket service and support**
 - Critical to win and retain customers in mission critical markets
 - Installed base provides high-margin recurring revenue
- **Presence in major markets for scale and growth**
 - Provides scale required for higher returns while serving niche market segments
 - Leverages investments in engineering, manufacturing, supply chain, etc

CIRCOR End Market Diversification



CIRCOR 2019 Revenue by End Market



Recent Highlights

- Completed exit from Upstream Oil & Gas with divestiture of Distributed Valves
- Large global installed base driving higher margin Aftermarket orders, mitigating broader economic decline
- Key program wins and existing platform growth in Defense driving strong performance
- Strength in Defense offsetting pressure in Commercial Aerospace due to COVID-19
- Diversified Industrial portfolio with no end market more than 6% of revenue

Note: Revenue excludes divested businesses.

Strong Year Despite Unprecedented Macro Challenges

Resilient business portfolio continues to deliver

- End market and product diversification mitigating impact of weaker economic environment
- Regional diversity in Industrial end markets serving as a natural hedge
- Robustness in Defense offsetting pressure from Commercial Aerospace
- Mission critical product portfolio ensuring price increases despite market downturn

Strong Operational Execution

- Continued focus on productivity and cost resulting in favorable decrements
- \$45 million of structural and temporary cost actions for 2020
- Aerospace and Defense strong margin expansion driven by productivity and price
- CIRCOR Operating System delivering improved operating performance across most metrics

Positioning CIRCOR to take advantage of market recovery

- 49 new product launches in 2020
- Close collaboration with suppliers and customers to ensure available capacity as demand recovers
- Continued focus on deleveraging and liquidity

Strategic Priorities

People

- Attract the best people
- Develop critical talent
- Build an inclusive, growth-oriented culture

Growth

- New products and programs
- Regional expansion
- Aftermarket

Margin Expansion

- Strategic pricing
- Low-cost footprint – India, China and Morocco
- G&A optimization
- CIRCOR Operating System

Digital Transformation

- Enhance our products
- Improve the customer experience
- Business intelligence and automation

M&A

- Bolt-ons in Industrial and A&D
- Logical adjacencies

Talent Attraction



Hire best talent

- Strong employee value proposition
- Competitive Total Rewards
- Strong employer brand

Talent Development



Develop and retain critical talent

- Targeted development actions
- Leadership development programs
- Rigorous succession planning

Culture



Build inclusive, growth-oriented culture

- Shared Purpose, Mission and Values
- Diversity & Inclusion
- Site based engagement plans

New Products and Programs



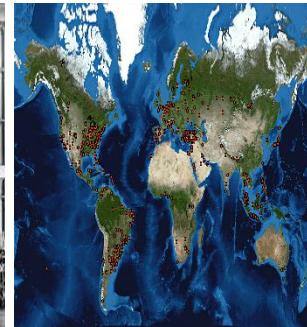
- A&D executing on a solid pipeline of new programs
- Industrial driving digitalization of products and suite of automation solutions

Regional Expansion



- Strong focus on regional expansion in Industrial – China, India and USA
- Opportunity to grow commercial marine in Asia
- Industrial downstream leveraging India low-cost structure to penetrate new markets

Aftermarket



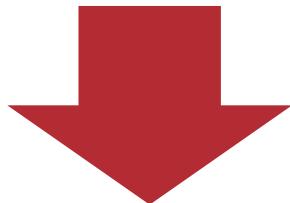
- Dedicated organizations to drive aftermarket growth inside A&D and Industrial
- Proactively managing large installed base in Industrial to provide enhanced after-sales support
- Forming service partnerships at local level in more remote regions

Margin Expansion



Pricing

- Aftermarket Focus
- Value-based
- Surgical

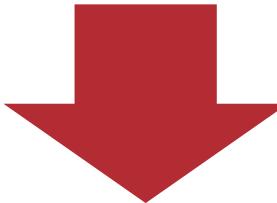


- Prices reflect product positioning and value



Optimize & Transition Manufacturing

- Outsource non-core
- Transition to low cost
- Optimize G&A

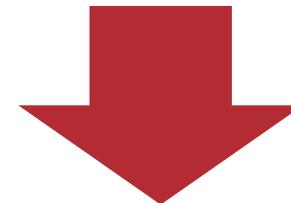


- Lower costs, improved controls
- Promotes centers of excellence
- Local for local



Drive COS

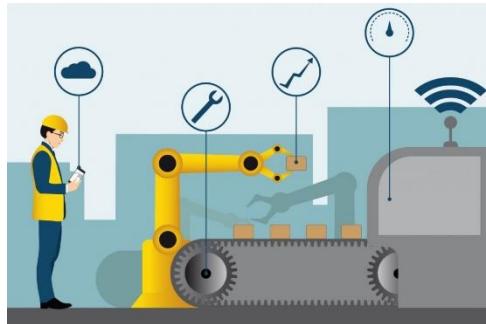
- Continuous improvement
- Engage workforce
- Clear goals, accountability, and recognition



- Safety, quality, and delivery
- Reduced lead times
- Better working capital

Product Enhancement

IIoT Smart Products



- Digital tagging for select products
- Smart connected devices
- Condition Monitoring

Ease of Doing Business

Simplify Buying Process



- Configure, Price, Quote customer interface
- Enhance and expand CRM
- Improve insights from installed base

Operational Capabilities

Business Intelligence and Automation



- Roll-out business intelligence platform across CIRCOR
- Virtual prototyping tools for engineering
- Enhanced cyber security

Financial Outlook



Organic Growth



- +100 to 150 bps higher than end market growth driven by strategic initiatives
- Continued execution on price initiatives

Margin Expansion



- Near term (18-24 months) AOI% outlook
 - Industrial: low teens
 - A&D: mid 20s
- CIRCOR Operating System delivering improved operating performance

Free Cash Flow



- FCF conversion of 90-95% of adjusted net income
- Intense focus on working capital

Debt & Leverage



- Operating cash flow used to pay down debt
- Targeting long-term leverage ratio of 2 to 2.5x net debt to EBITDA