

**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): February 22, 2018**

**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.

☐

## Item 2.02. Results of Operations and Financial Condition.

By press release dated February 28, 2018 CIRCOR International, Inc. (the “Company”) announced its financial results for the three and twelve months ended December 31, 2017. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Previously, by press release dated February 22, 2018 the Company provided updated guidance for the three months ended December 31, 2017 ahead of its presentation at Gabelli & Company’s Pump, Valve & Water Systems Symposium. The full text of that press release is attached as Exhibit 99.3 to this Current Report on Form 8-K.

The information in this Item 2.02 of Form 8-K and the Exhibits 99.1, 99.2 and 99.3 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 facilitate comparison of performance for determining incentive compensation achievement.

In the press releases 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, and net debt, described as follows:

- Adjusted operating income is defined as GAAP operating income excluding intangible amortization from acquisitions completed subsequent to December 31, 2011, step-up depreciation 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, step-up depreciation from acquisitions completed subsequent to December 31, 2016, special charges/gains including the impact of restructuring related inventory charges, and impairments, 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, step-up depreciation from acquisitions completed subsequent to December 31, 2016, special charges/gains including the impact of restructuring related inventory charges, and impairments, 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, and impairments, net of tax.
- Net Debt - is defined as total debt minus cash & cash equivalents.

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 allow for meaningful 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 as an attachment to the press release in Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Press Release regarding Earnings</a>
99.2	<a href="#">Fourth Quarter 2017 Investor Review Presentation</a>
99.3	<a href="#">Press Release regarding Guidance</a>

## 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: February 28, 2018

**CIRCOR INTERNATIONAL, INC.**

/s/ Rajeev Bhalla

By: Rajeev Bhalla

Title: Executive Vice President and Chief Financial Officer

## CIRCOR Reports Fourth-Quarter and Year-End 2017 Financial Results

**Burlington, MA - February 28, 2018** - CIRCOR International, Inc. (NYSE: CIR), a leading provider of flow control solutions and other highly engineered products for the Energy, Aerospace & Defense and Industrial markets, today announced financial results for the fourth quarter and full year ended December 31, 2017.

- *Q4 Orders of \$217 million; up 32% organically*
- *Q4 Revenue of \$206 million, up 4% organically*
- *Q4 GAAP loss per share of \$(0.32)*
- *Q4 Adjusted EPS of \$0.57*
- *Acquisition of Colfax Fluid Handling complete; integration underway*
- *Company suspends quarterly dividend to prioritize debt reduction*

“We capped a solid year in 2017 with strong orders growth, and improving revenue and earnings,” said Scott Buckhout, President and Chief Executive Officer. “Energy segment orders increased 37% organically in the fourth quarter, led by our Distributed Valves and Refinery Valves business units. In Advanced Flow Solutions, robust Aerospace demand contributed to a 25% increase in organic orders in the segment.”

The Fluid Handling business, which was acquired from Colfax Corporation on December 11, 2017, also contributed favorably to the results, generating \$36.5 million in sales and \$5.5 million in segment operating income.

“Since completing the Fluid Handling acquisition in December, we’ve put a full-time, global integration team in place and started executing our plan to reduce combined costs, consolidate systems and processes, and drive growth synergies,” Buckhout said. “We begin 2018 well positioned to capitalize on the growth opportunities in a diversified range of favorable end markets.

“Going forward, we will continue to focus on creating long-term value for our shareholders by investing in growth, executing a seamless integration of Fluid Handling, and reducing our leverage,” concluded Buckhout.

### U.S. Tax Reform

The Tax Cuts & Jobs Act did not have a significant impact on the fourth-quarter 2017 results given the Company’s net deferred tax position. Additional analysis regarding the realization of foreign tax credit carryover is in process and will be completed mid-2018.

### Dividends

As part of its capital deployment strategy, the Company has suspended its quarterly cash dividend of \$0.0375 per share, beginning in the first quarter of 2018. Suspension of this nominal dividend on common stock will allow the Company to redirect the funds to repay debt.

### First-Quarter 2018 Guidance

The Company will provide guidance for the first quarter of 2018 during the conference call later today.

**Selected Consolidated Results (unaudited)**

(\$ millions except EPS)	Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
Revenue	\$ 205.6	\$ 158.2	47.3	\$ 661.7	\$ 590.3	71.4
GAAP Operating Income (Loss)	\$ (5.1)	\$ (3.4)	(1.6)	\$ 20.6	\$ 10.9	9.7
Adjusted Operating Income <sup>1</sup>	\$ 18.7	\$ 11.0	7.7	\$ 51.7	\$ 42.4	9.3
GAAP Operating Margin	(2.5)%	(2.2)%	(30) bps	3.1%	1.8%	130 bps
Adjusted Operating Margin <sup>1</sup>	9.1%	6.9%	220 bps	7.8%	7.2%	60 bps
GAAP Earnings (Loss) Per Share (Diluted)	\$ (0.32)	\$ (0.12)	(0.20)	\$ 0.70	\$ 0.61	0.09
Adjusted Earnings Per Share (Diluted) <sup>1</sup>	\$ 0.57	\$ 0.48	0.09	\$ 1.71	\$ 1.99	(0.28)
Operating Cash Flow	\$ 7.6	\$ 20.4	(12.8)	\$ 9.6	\$ 59.4	(49.8)
Free Cash Flow <sup>2</sup>	\$ 1.5	\$ 17.0	(15.5)	\$ (4.0)	\$ 46.4	(50.4)
Orders	\$ 216.5	\$ 142.3	74.2	\$ 701.6	\$ 525.7	175.9

**Segment Results (unaudited)**

(\$ millions)	Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
<b>Energy</b>						
Revenue	\$ 92.2	\$ 89.0	3.2	\$ 347.6	\$ 322.0	25.5
Segment Operating Income	\$ 7.6	\$ 9.3	(1.7)	\$ 30.7	\$ 34.6	(3.9)
Segment Operating Margin	8.3%	10.4%	(210) bps	8.8%	10.7%	(190) bps
Orders	\$ 118.7	\$ 85.2	33.5	\$ 389.4	\$ 270.5	118.9
<b>Advanced Flow Solutions</b>						
Revenue	\$ 76.8	\$ 69.2	7.6	\$ 277.6	\$ 268.2	9.4
Segment Operating Income	\$ 11.4	\$ 8.9	2.5	\$ 37.2	\$ 33.5	3.7
Segment Operating Margin	14.8%	12.9%	190 bps	13.4%	12.5%	90 bps
Orders	\$ 73.5	\$ 57.1	16.4	\$ 287.9	\$ 255.2	32.7
<b>Fluid Handling<sup>3</sup></b>						
Revenue	\$ 36.5	\$ --	--	\$ 36.5	\$ --	--
Segment Operating Income	\$ 5.5	\$ --	--	\$ 5.5	\$ --	--
Segment Operating Margin	15.0%	--	--	15.0%	--	--
Orders	\$ 24.3	\$ --	--	\$ 24.3	\$ --	--

1. Consolidated and Segment Results for Q4 2017 exclude special and restructuring charges and non-cash acquisition-related intangible and inventory step-up amortization, totaling \$23.7 million (pre-tax). This net charge includes (i) \$9.2 million charge for non-cash acquisition-related intangible amortization expense, including the amortization of a step-up in fair value of inventories; (ii) \$8.9 million in transaction fees associated with the acquisition of the Colfax Fluid Handling business; (iii) \$2.4 million for settlement of a legal matter; (iv) \$1.8 million write-off for deferred financing fees associated with the prior debt agreement; and (v) \$1.4 million related to previously announced restructuring actions. Consolidated and Segment Results for Q4 2016 exclude special and restructuring charges, totaling \$14.4 million. These charges include (i) \$5.6 million for non-cash acquisition-related intangible amortization expense, including the amortization of a step-up in fair value of inventories; (ii) \$4.5 million related to a non-cash charge associated with a lump sum distribution paid to terminated and vested participants in CIRCOR's pension plan; (iii) \$2.3 million related to the exit of the California machine shop and the Brazil facility, as well as the suspension of manufacturing operations in China; (iv) \$1.0 million related to other restructuring programs across the Energy Segment; and (v) \$1.0 million related to professional fees incurred for completed acquisitions.

2. *Free Cash Flow is a non-GAAP financial measure and is calculated by subtracting GAAP capital expenditures, net of proceeds from asset sales, from GAAP Operating Cash Flow.*
3. *Fluid Handling results reflect the period from December 11, 2017 to December 31, 2017. Prior period comparisons are not meaningful.*

### **Conference Call Information**

CIRCOR International will hold a conference call to review its financial results today, February 28, 2018, at 9:00 a.m. ET. To listen to the conference call and view the accompanying presentation slides, visit “[Webcasts & Presentations](#)” in the “[Investors](#)” portion of the CIRCOR website. The call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. The webcast will be archived for one year on the Company’s website.

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

Adjusted operating income, Adjusted operating margin, Adjusted net income, Adjusted earnings per share (diluted), EBITDA, Adjusted EBITDA, net debt and free cash flow are non-GAAP financial measures. These non-GAAP financial measures are used by management in our financial and operating decision making because we believe they better reflect our ongoing business and allow for meaningful period-to-period comparisons. We believe these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company’s current operating performance and future prospects in the same manner as management does, if they so choose. These non-GAAP financial measures also allow investors and others to compare the Company’s current financial results with the Company’s past financial results in a consistent manner. For example:

- We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.
- We exclude certain acquisition-related costs, including significant transaction costs and amortization of inventory and fixed-asset step-ups and the related tax effects. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- We exclude the expense and tax effects associated with the non-cash amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives up to 25 years. Exclusion of the non-cash amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.
- We also exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements.

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

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for



or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is included in this news release.

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's future performance, including the realization of cost reductions from restructuring activities. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to vary from expectations include, but are not limited to: our ability to respond to competitive developments and to grow our business, both domestically and internationally; changes in the cost, quality or supply of raw materials; our ability to comply with our debt obligations; our ability to successfully implement our acquisition, divestiture or restructuring strategies, including our integration of the recently acquired Fluid Handling business; changes in industry standards or government regulations, both in the United States and internationally; and our ability to operate our manufacturing facilities at current or higher levels and respond to increases in manufacturing costs. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT [WWW.CIRCOR.COM](http://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.

### **About CIRCOR International, Inc.**

CIRCOR International, Inc. designs, manufactures and markets differentiated flow control products and sub-systems for Energy, Aerospace & Defense and Industrial customers. The Company has a diversified product portfolio of recognized, market-leading brands that fulfill its customers' mission critical needs. The Company's strategy is to grow organically and through complementary acquisitions; simplify CIRCOR's operations; achieve world class operational excellence; and attract and retain top talent. For more information, visit the Company's investor relations website at <http://investors.circor.com>.

### **Contact:**

Rajeev Bhalla  
Executive Vice President & Chief Financial Officer  
CIRCOR International (781) 270-1200

**CIRCOR INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF (LOSS) INCOME**  
*(in thousands, except per share data)*  
**UNAUDITED**

	Three Months Ended		Twelve Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net revenues	\$ 205,578	\$ 158,236	\$ 661,710	\$ 590,259
Cost of revenues	146,362	109,139	460,890	407,144
GROSS PROFIT	59,216	49,097	200,820	183,115
Selling, general and administrative expenses	49,776	44,528	166,201	154,818
Impairment charges	—	—	—	208
Special and restructuring charges, net	14,495	8,006	14,051	17,171
OPERATING (LOSS) / INCOME	(5,055)	(3,437)	20,568	10,918
Other expense (income):				
Interest expense, net	4,479	1,468	10,777	3,310
Other expense (income), net	1,655	(1,157)	3,678	(2,072)
TOTAL OTHER EXPENSE, NET	6,134	311	14,455	1,238
(LOSS) / INCOME BEFORE INCOME TAXES	(11,189)	(3,748)	6,113	9,680
(Benefit from) Provision for income taxes	(5,619)	(1,746)	(5,676)	(421)
NET (LOSS) / INCOME	\$ (5,570)	\$ (2,002)	\$ 11,789	\$ 10,101
(Loss) Earnings per common share:				
Basic	\$ (0.32)	\$ (0.12)	\$ 0.71	\$ 0.62
Diluted	\$ (0.32)	\$ (0.12)	\$ 0.70	\$ 0.61
Weighted average number of common shares outstanding:				
Basic	17,233	16,439	16,674	16,418
Diluted	17,233	16,439	16,849	16,536
Dividends declared per common share	\$ 0.0375	\$ 0.0375	\$ 0.1500	\$ 0.1500

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

	Twelve Months Ended	
	December 31, 2017	December 31, 2016
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 11,789	\$ 10,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,290	13,304
Amortization	14,747	12,316
Provision for bad debt expense	810	2,330
Loss on write down of inventory	7,337	9,297
Compensation expense of share-based plans	3,807	5,545
Debt extinguishment	1,810	—
Change in fair value of contingent consideration	(12,200)	—
Interest amortization	759	—
Tax effect of share-based plan compensation	—	145
Pension settlement charge	—	4,457
Deferred income tax expense	(7,908)	(10,737)
Loss on sale of property, plant and equipment	360	3,708
Impairment charges	—	208
Loss on sale of business	5,300	—
Changes in operating assets and liabilities, net of effects of acquisition and disposition:		
Trade accounts receivable	(5,734)	18,536
Inventories	(19,494)	36,092
Prepaid expenses and other assets	(8,578)	2,454
Accounts payable, accrued expenses and other liabilities	1,542	(48,357)
Net cash provided by operating activities	9,637	59,399
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(14,541)	(14,692)
Proceeds from the sale of property, plant and equipment	934	1,700
Business acquisition and working capital adjustment	(488,517)	(197,489)
Net cash used in investing activities	(502,124)	(210,481)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	1,090,883	323,200
Payments of long-term debt	(523,183)	(162,540)
Debt issuance costs	(30,366)	—
Dividends paid	(2,506)	(2,497)
Proceeds from the exercise of stock options	740	246
Tax effect of share-based plan compensation	—	(145)
Purchase of common stock	—	500
Net cash provided by financing activities	535,568	158,764
Effect of exchange rate changes on cash and cash equivalents	8,996	(3,944)
INCREASE IN CASH AND CASH EQUIVALENTS	52,077	3,738
Cash and cash equivalents at beginning of period	58,279	54,541
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 110,356	\$ 58,279

**CIRCOR INTERNATIONAL, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(in thousands)*  
**UNAUDITED**

	December 31, 2017	December 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 110,356	\$ 58,279
Trade accounts receivable, less allowance for doubtful accounts of \$4,791 and \$5,056, respectively	223,922	133,046
Inventories	244,896	149,584
Prepaid expenses and other current assets	59,219	29,557
Total Current Assets	638,393	370,466
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>217,539</b>	<b>99,713</b>
<b>OTHER ASSETS:</b>		
Goodwill	505,762	206,659
Intangibles, net	513,364	135,778
Deferred income taxes	22,334	4,824
Other assets	9,407	3,317
<b>TOTAL ASSETS</b>	<b>\$ 1,906,799</b>	<b>\$ 820,757</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 117,329	\$ 46,767
Accrued expenses and other current liabilities	170,454	50,707
Accrued compensation and benefits	34,734	20,249
Total Current Liabilities	322,517	117,723
<b>LONG-TERM DEBT</b>	<b>787,343</b>	<b>251,200</b>
<b>DEFERRED INCOME TAXES</b>	<b>26,122</b>	<b>13,657</b>
<b>PENSION LIABILITY, NET</b>	<b>150,719</b>	<b>13,131</b>
<b>OTHER NON-CURRENT LIABILITIES</b>	<b>18,124</b>	<b>20,635</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock	212	178
Additional paid-in capital	438,721	289,423
Retained earnings	274,243	265,543
Common treasury stock, at cost	(74,472)	(74,472)
Accumulated other comprehensive loss, net of tax	(36,730)	(76,262)
Total Shareholders' Equity	601,974	404,410
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,906,799</b>	<b>\$ 820,756</b>

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>ORDERS (1)</b>				
Energy	\$ 118.7	\$ 85.2	\$ 389.4	\$ 270.5
Advanced Flow Solutions	73.5	57.1	287.9	255.2
Fluid Handling	24.3	—	24.3	—
Total orders	<u>\$ 216.5</u>	<u>\$ 142.3</u>	<u>\$ 701.6</u>	<u>\$ 525.7</u>
<b>BACKLOG (2)</b>				
	December 31, 2017	December 31, 2016		
Energy	\$ 170.8	\$ 123.1		
Advanced Flow Solutions	133.3	119.3		
Fluid Handling	196.3	—		
Total backlog	<u>\$ 500.4</u>	<u>\$ 242.4</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. Fluid Handling orders are for the period December 11, 2017 to December 31, 2017.

Note 2: Backlog includes unshipped customer orders for which revenue has not been recognized, including backlog associated with acquisitions.

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

	2016					2017				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>NET REVENUES</b>										
Energy	\$ 83,409	\$ 80,736	\$ 68,901	\$ 89,000	\$322,046	\$ 80,135	\$ 82,586	\$ 92,613	\$ 92,244	\$ 347,578
Advanced Flow Solutions	67,389	65,656	65,932	69,236	268,213	65,073	68,645	67,080	\$ 76,839	277,637
Fluid Handling	—	—	—	—	—	—	—	—	36,495	36,495
<b>Total</b>	<b>\$150,798</b>	<b>\$146,392</b>	<b>\$134,833</b>	<b>\$158,236</b>	<b>\$590,259</b>	<b>\$145,208</b>	<b>\$151,231</b>	<b>\$159,693</b>	<b>\$205,578</b>	<b>\$ 661,710</b>

**SEGMENT OPERATING  
INCOME**

Energy	\$ 9,296	\$ 9,293	\$ 6,755	\$ 9,276	\$ 34,619	\$ 6,864	\$ 8,858	\$ 7,397	\$ 7,629	\$ 30,748
Advanced Flow Solutions	8,452	8,064	8,008	8,939	33,463	7,711	8,587	9,548	11,384	37,230
Fluid Handling	—	—	—	—	—	—	—	—	5,460	5,460
Corporate expenses	(6,488)	(5,431)	(6,522)	(7,231)	(25,672)	(5,479)	(5,396)	(5,067)	(5,802)	(21,744)
<b>Adjusted Operating Income</b>	<b>\$ 11,260</b>	<b>\$ 11,926</b>	<b>\$ 8,240</b>	<b>\$ 10,984</b>	<b>\$ 42,410</b>	<b>\$ 9,096</b>	<b>\$ 12,049</b>	<b>\$ 11,878</b>	<b>\$ 18,671</b>	<b>\$ 51,694</b>

**SEGMENT OPERATING  
MARGIN %**

Energy	11.1%	11.5%	9.8%	10.4%	10.7%	8.6%	10.7%	8.0%	8.3%	8.8%
Advanced Flow Solutions	12.5%	12.3%	12.1%	12.9%	12.5%	11.8%	12.5%	14.2%	14.8%	13.4%
Fluid Handling	—%	—%	—%	—%	—%	—%	—%	—%	15.0%	15.0%
<b>Adjusted Operating Margin</b>	<b>7.5%</b>	<b>8.1%</b>	<b>6.1%</b>	<b>6.9%</b>	<b>7.2%</b>	<b>6.3%</b>	<b>8.0%</b>	<b>7.4%</b>	<b>9.1%</b>	<b>7.8%</b>

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE**  
**TERMS**  
*(in thousands, except percentages)*  
**UNAUDITED**

	2016					2017				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 7,654</b>	<b>\$ 10,100</b>	<b>\$ 21,196</b>	<b>\$ 20,449</b>	<b>\$ 59,399</b>	<b>\$ 16,195</b>	<b>\$ 2,667</b>	<b>\$ (16,854)</b>	<b>\$ 7,629</b>	<b>\$ 9,637</b>
LESS:										
Capital expenditures, net of sale proceeds	3,934	1,926	3,730	3,402	12,992	2,811	2,375	2,318	6,103	13,607
<b>FREE CASH FLOW</b>	<b>\$ 3,720</b>	<b>\$ 8,174</b>	<b>\$ 17,466</b>	<b>\$ 17,047</b>	<b>\$ 46,407</b>	<b>\$ 13,384</b>	<b>\$ 292</b>	<b>\$ (19,172)</b>	<b>\$ 1,526</b>	<b>\$ (3,970)</b>
<b>TOTAL DEBT</b>	<b>\$ 97,800</b>	<b>\$ 97,600</b>	<b>\$ 92,400</b>	<b>\$ 251,200</b>	<b>\$ 251,200</b>	<b>\$ 243,000</b>	<b>\$ 252,856</b>	<b>\$ 269,026</b>	<b>\$ 795,208</b>	<b>\$ 795,208</b>
LESS:										
Cash & cash equivalents	66,580	72,970	84,929	58,279	58,279	65,656	77,272	75,627	110,356	110,356
<b>NET DEBT</b>	<b>\$ 31,220</b>	<b>\$ 24,630</b>	<b>\$ 7,471</b>	<b>\$ 192,921</b>	<b>\$ 192,921</b>	<b>\$ 177,344</b>	<b>\$ 175,584</b>	<b>\$ 193,399</b>	<b>\$ 684,852</b>	<b>\$ 684,852</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 414,107</b>	<b>\$ 411,367</b>	<b>\$ 416,598</b>	<b>\$ 404,410</b>	<b>\$ 404,410</b>	<b>\$ 415,537</b>	<b>\$ 438,097</b>	<b>\$ 451,885</b>	<b>\$ 601,974</b>	<b>\$ 601,974</b>
<b>TOTAL DEBT AS % OF EQUITY</b>	<b>24%</b>	<b>24%</b>	<b>22%</b>	<b>62%</b>	<b>62%</b>	<b>58%</b>	<b>58%</b>	<b>60%</b>	<b>132%</b>	<b>132%</b>
<b>NET DEBT AS % OF EQUITY</b>	<b>8%</b>	<b>6%</b>	<b>2%</b>	<b>48%</b>	<b>48%</b>	<b>43%</b>	<b>40%</b>	<b>43%</b>	<b>114%</b>	<b>114%</b>

**CIRCOR INTERNATIONAL, INC.**

**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS**

*(in thousands, except per share data)*

**UNAUDITED**

	1ST QTR	2ND QTR	2016 3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	2017 3RD QTR	4TH QTR	TOTAL
<b>NET INCOME (LOSS)</b>	\$ 3,872	\$ 3,813	\$ 4,418	\$ (2,002)	\$ 10,101	\$ 4,773	\$ 8,970	\$ 3,617	\$ (5,571)	\$ 11,789
<b>LESS:</b>										
Restructuring related inventory charges	1,958	75	—	813	2,846	—	—	—	—	—
Amortization of inventory step-up	—	—	—	1,366	1,366	—	—	—	4,300	4,300
Impairment charges	—	—	208	—	208	—	—	—	—	—
Restructuring charges, net	1,163	3,259	2,252	2,301	8,975	1,458	3,566	341	697	6,062
Acquisition amortization	1,868	1,911	1,888	4,234	9,901	2,552	2,599	2,694	4,697	12,542
Acquisition depreciation	—	—	—	—	—	—	—	—	233	233
Special charges (recoveries), net	776	1,334	379	5,707	8,196	(2,268)	(5,520)	1,978	13,799	7,989
Income tax impact	(954)	(1,611)	(1,519)	(4,487)	(8,571)	(1,137)	(3,124)	(1,497)	(8,279)	(14,037)
<b>ADJUSTED NET INCOME</b>	<b>\$ 8,683</b>	<b>\$ 8,781</b>	<b>\$ 7,626</b>	<b>\$ 7,932</b>	<b>\$ 33,022</b>	<b>\$ 5,378</b>	<b>\$ 6,491</b>	<b>\$ 7,133</b>	<b>\$ 9,876</b>	<b>\$ 28,878</b>

<b>EARNINGS (LOSS) PER COMMON SHARE (Diluted)</b>	<b>\$ 0.23</b>	<b>\$ 0.23</b>	<b>\$ 0.27</b>	<b>\$ (0.12)</b>	<b>\$ 0.61</b>	<b>\$ 0.29</b>	<b>\$ 0.54</b>	<b>\$ 0.22</b>	<b>\$ (0.32)</b>	<b>\$ 0.70</b>
<b>LESS:</b>										
Restructuring related inventory charges	0.12	—	—	0.05	0.17	—	—	—	—	—
Amortization of inventory step-up	—	—	—	0.08	0.08	—	—	—	0.25	0.26
Impairment charges	—	—	0.01	—	0.01	—	—	—	—	—
Restructuring charges, net	0.07	0.20	0.14	0.14	0.54	0.09	0.21	0.02	0.04	0.36
Acquisition amortization	0.11	0.12	0.11	0.26	0.60	0.15	0.16	0.16	0.27	0.74
Acquisition depreciation	—	—	—	—	—	—	—	—	0.01	0.01
Special charges (recoveries), net	0.05	0.08	0.02	0.35	0.50	(0.14)	(0.33)	0.12	0.80	0.47
Income tax impact	(0.06)	(0.10)	(0.09)	(0.27)	(0.52)	(0.07)	(0.19)	(0.09)	(0.48)	(0.83)
<b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>	<b>\$ 0.52</b>	<b>\$ 0.53</b>	<b>\$ 0.46</b>	<b>\$ 0.48</b>	<b>\$ 1.99</b>	<b>\$ 0.32</b>	<b>\$ 0.39</b>	<b>\$ 0.43</b>	<b>\$ 0.57</b>	<b>\$ 1.71</b>



**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE**  
**TERMS**  
*(in thousands)*  
**UNAUDITED**

	2016					2017				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>NET INCOME (LOSS)</b>	\$ 3,872	\$ 3,813	\$ 4,418	\$ (2,002)	\$10,101	\$ 4,773	\$ 8,970	\$ 3,617	\$ (5,571)	\$11,789
LESS:										
Interest expense, net	(631)	(605)	(605)	(1,468)	(3,310)	(1,669)	(2,184)	(2,445)	(4,479)	(10,777)
Depreciation	(3,263)	(3,213)	(3,138)	(3,690)	(13,304)	(3,798)	(3,547)	(3,544)	(4,401)	(15,290)
Amortization	(2,529)	(2,569)	(2,488)	(4,730)	(12,316)	(3,092)	(3,124)	(3,275)	(5,256)	(14,747)
(Provision for) benefit from income taxes	(1,520)	(1,478)	1,673	1,746	421	(687)	724	21	5,618	5,676
<b>EBITDA</b>	<b>\$11,815</b>	<b>\$11,678</b>	<b>\$ 8,976</b>	<b>\$ 6,140</b>	<b>\$38,610</b>	<b>\$14,019</b>	<b>\$17,101</b>	<b>\$12,860</b>	<b>\$ 2,947</b>	<b>\$46,927</b>
LESS:										
Restructuring related inventory charges	(1,958)	(75)	—	(813)	(2,846)	—	—	—	—	—
Amortization of inventory step-up	—	—	—	(1,366)	(1,366)	—	—	—	(4,300)	(4,300)
Impairment charges	—	—	(208)	—	(208)	—	—	—	—	—
Restructuring charges, net	(1,163)	(3,259)	(2,252)	(2,301)	(8,975)	(1,458)	(3,566)	(341)	(697)	(6,062)
Special (charges) recoveries, net	(776)	(1,334)	(379)	(5,707)	(8,196)	2,268	5,520	(1,978)	(13,799)	(7,989)
<b>ADJUSTED EBITDA</b>	<b>\$15,712</b>	<b>\$16,346</b>	<b>\$11,815</b>	<b>\$16,327</b>	<b>\$60,201</b>	<b>\$13,209</b>	<b>\$15,147</b>	<b>\$15,179</b>	<b>\$21,743</b>	<b>\$65,278</b>

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING**  
**PRINCIPLE TERMS**  
*(in thousands, except percentages)*  
**UNAUDITED**

	2016					2017				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>GAAP OPERATING INCOME (LOSS)</b>	\$ 5,495	\$ 5,347	\$ 3,513	\$ (3,437)	\$ 10,918	\$ 7,354	\$ 11,404	\$ 6,864	\$ (5,054)	\$ 20,568
LESS:										
Restructuring related inventory charges	1,958	75	—	813	2,846	—	—	—	—	—
Amortization of inventory step-up	—	—	—	1,366	1,366	—	—	—	4,300	4,300
Impairment charges	—	—	208	—	208	—	—	—	—	—
Restructuring charges, net	1,163	3,259	2,252	2,301	8,975	1,458	3,566	341	697	6,062
Acquisition amortization	1,868	1,911	1,888	4,234	9,901	2,552	2,599	2,694	4,697	12,542
Acquisition depreciation	—	—	—	—	—	—	—	—	233	233
Special charges (recoveries), net	776	1,334	379	5,707	8,196	(2,268)	(5,520)	1,978	13,799	7,989
<b>ADJUSTED OPERATING INCOME</b>	<b>\$ 11,260</b>	<b>\$ 11,926</b>	<b>\$ 8,240</b>	<b>\$ 10,984</b>	<b>\$ 42,410</b>	<b>\$ 9,096</b>	<b>\$ 12,049</b>	<b>\$ 11,877</b>	<b>\$ 18,672</b>	<b>\$ 51,694</b>
<b>GAAP OPERATING MARGIN</b>	3.6%	3.7%	2.6%	(2.2)%	1.8%	5.1 %	7.5 %	4.3%	(2.5)%	3.1%
LESS:										
Restructuring related inventory charges	1.3%	0.1%	—%	0.5 %	0.5%	— %	— %	—%	— %	—%
Amortization of inventory step-up	—%	—%	—%	0.9 %	0.2%	— %	— %	—%	2.1 %	0.6%
Impairment charges	—%	—%	0.2%	— %	—%	— %	— %	—%	— %	—%
Restructuring charges, net	0.8%	2.2%	1.7%	1.5 %	1.5%	1.0 %	2.4 %	0.2%	0.3 %	0.9%
Acquisition amortization	1.2%	1.3%	1.4%	2.7 %	1.7%	1.8 %	1.7 %	1.7%	2.3 %	1.9%
Acquisition depreciation	—%	—%	—%	— %	—%	— %	— %	—%	0.1 %	—%
Special charges (recoveries), net	0.5%	0.9%	0.3%	3.6 %	1.4%	(1.6)%	(3.7)%	1.2%	6.7 %	1.2%
<b>ADJUSTED OPERATING MARGIN</b>	<b>7.5%</b>	<b>8.1%</b>	<b>6.1%</b>	<b>6.9 %</b>	<b>7.2%</b>	<b>6.3 %</b>	<b>8.0 %</b>	<b>7.4%</b>	<b>9.1 %</b>	<b>7.8%</b>



Advanced Flow Solutions  
Energy  
Fluid Handling

**Fourth Quarter 2017**

**Investor Review**

Presented February 28, 2018

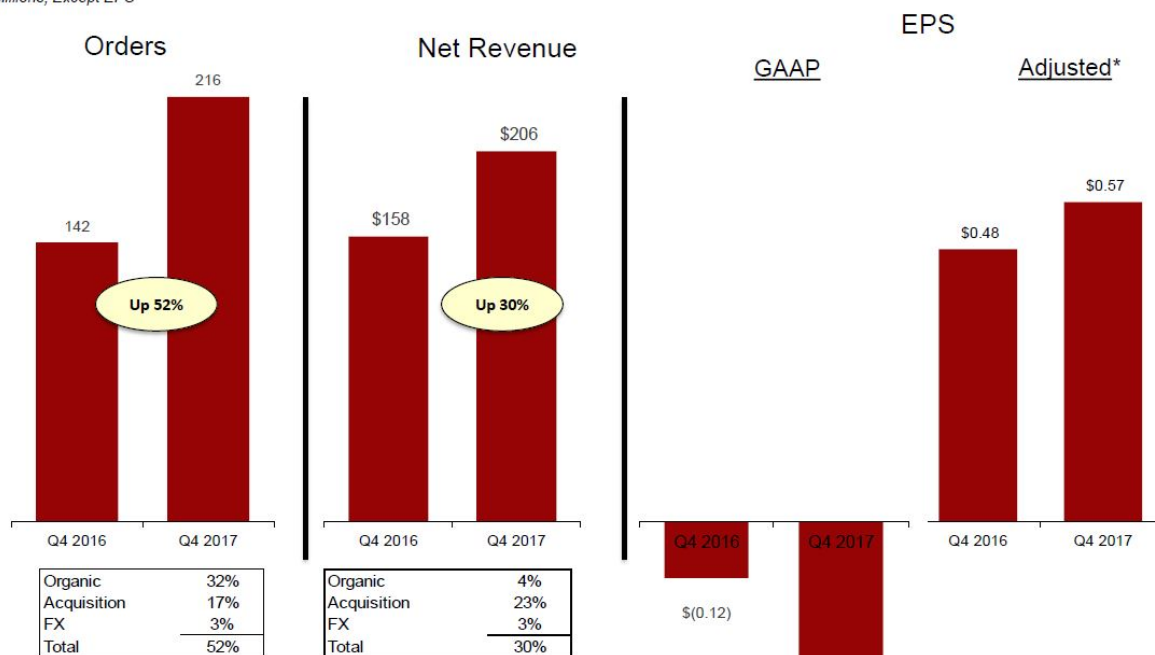
*This presentation contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this presentation that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's future performance, including the realization of cost reductions from restructuring activities. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to vary from expectations include, but are not limited to: our ability to respond to competitive developments and to grow our business, both domestically and internationally; changes in the cost, quality or supply of raw materials; our ability to comply with our debt obligations; our ability to successfully implement our acquisition, divestiture or restructuring strategies, including our integration of the recently acquired Fluid Handling business; changes in industry standards or government regulations, both in the United States and internationally; and our ability to operate our manufacturing facilities at current or higher levels and respond to increases in manufacturing costs. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT [WWW.CIRCOR.COM](http://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 11 for information on the use of non-GAAP financial measures.

# Q4 2017 Results



\$ Millions, Except EPS



EPS: Diluted Earnings Per Share

\* Reflects a non-GAAP measure, see CIRCOR's Q4 2017 earnings press release for definitions and a reconciliation to GAAP

## Energy Segment Highlights



\$ Millions

	Q4 2017	YOY Change
Net Revenues	92.2	4%
Segment Operating Income	7.6	-18%
Segment Operating Margin	8.3%	-210 bps

- **Q4 2017 revenues**
  - Distributed Valves up 70%
  - Engineered Valves volume down approximately 50%
  - Lower volumes in Instrumentation and Sampling business
- **Q4 2017 segment operating margin**
  - Impact of decline in Engineered Valves
  - Higher costs in North American Distributed Valves
  - Unfavorable mix in Instrumentation and Sampling

## Advanced Flow Solutions Segment Highlights



\$ Millions

	Q4 2017	YOY Change
Net Revenues	76.8	11%
Segment Operating Income	11.4	27%
Segment Operating Margin	14.8%	190 bps

- **Q4 2017 revenues**
  - Price increase in Aerospace
  - Higher volumes in Aerospace and Defense
  - Lower shipments in Industrial Solutions and Power
- **Q4 2017 segment operating margin**
  - Benefit from price increase
  - Favorable mix in Aerospace on higher sales
  - Unfavorable mix in Power

## Fluid Handling Segment Highlights



\$ Millions

Period from :  
December 11, 2017 to December 31, 2017

Net Revenues	36.5
Segment Operating Income	5.5
Segment Operating Margin	15.0%

- **Q4 2017 stub period revenues**
  - EMEA shipments primarily for Industrial markets
  - Reliability Services large project delivery in December
- **Q4 2017 segment operating margin**
  - Benefit from costs incurred prior to stub period
  - Favorable mix of product shipments



# Q4 P&L Highlights



\$ Millions, Except EPS

	Q4 2017			Q4 2016		
	Reported GAAP	Special & Restructuring Charges	Adjusted	Reported GAAP	Special & Restructuring Charges	Adjusted
Net Revenue	205.6	-	205.6	158.2	-	158.2
Operating (Loss) Income	(5.1)	23.7	18.7	(3.4)	14.4	11.0
Net Interest (Expense)	(4.5)	-	(4.5)	(1.5)	-	(1.5)
Other Income (Expense)	(1.6)	-	(1.6)	1.2	-	1.2
Pre-Tax (Loss) Income	(11.2)	23.7	12.6	(3.7)	14.4	10.7
Benefit from (provision for) income taxes	5.6	(8.3)	(2.7)	1.7	(4.4)	(2.6)
Net (Loss) Income	(5.6)	15.5	9.9	(2.0)	10.1	8.1
Tax Rate	50.2%		21.2%	46.6%		24.4%
Diluted EPS	(0.32)	0.89	0.57	(0.12)	0.60	0.48
Weighted Avg. Diluted Shares			17.4			16.7

## Restructuring & Special Charges (excluded from AOI)

	Q4 2017	Q4 2016
Intangible & inventory step-up amortization	9.2	5.6
M&A deal fees	8.9	1.0
Settlement of a legal matter	2.4	-
Write-off for deferred financing fees	1.8	-
Restructuring costs	1.4	7.8
	23.7	14.4

# Cash Flow and Debt Highlights



\$ Millions

	FY 2017	FY 2016
Cash Flow from Operations	10	59
Capital Expenditures, net	(14)	(13)
Free Cash Flow	(4)	46

	31-Dec-17	31-Dec-16
Total Debt	795	251
Cash and Cash Equivalents	110	58
Net Debt	685	193
Net Debt to Equity	114%	48%

Note: Cash and cash equivalents at December 31, 2017 includes approximately \$65 million to be returned to Colfax.

## Q4 Guidance as of February 28, 2018



\$ Millions, Except EPS

	Q1 2018	
	Low	High
Net Revenue	\$ 260	\$ 275
Expected Adjusted Earnings Per Share	\$ 0.26	\$ 0.36
Expected Special / Restructuring Charges per share:		
- Restructuring Charges	\$ (0.64)	\$ (0.58)
- Special Charges - M&A amortization related (non-cash)	\$ (0.57)	\$ (0.55)
- Amortization of inventory fair value step-up (non-cash)	\$ (0.37)	\$ (0.37)

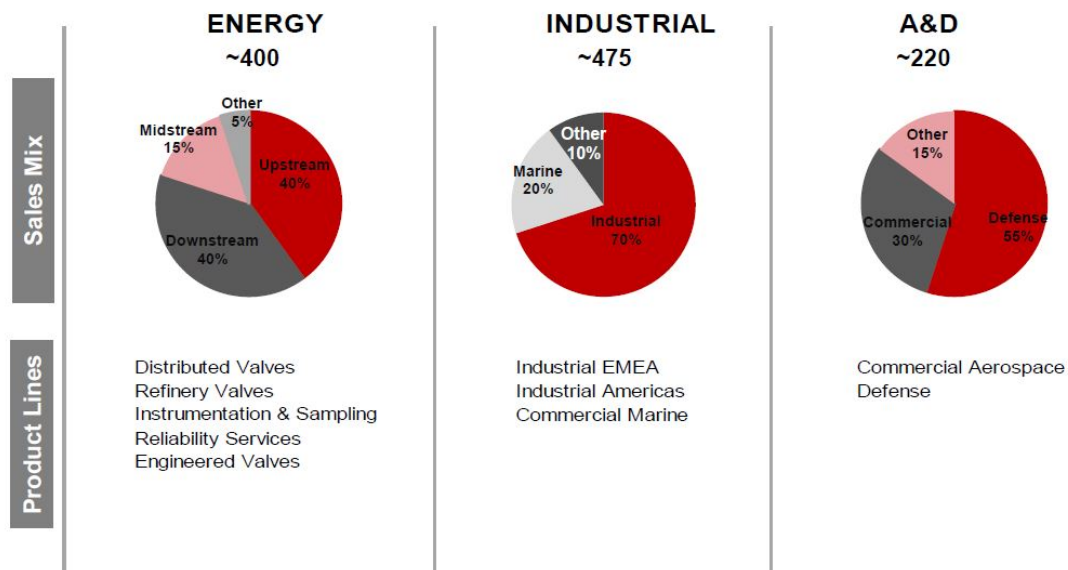
# Organization Structure



\$ Millions

## Organizing CIRCOR by End Market

### New Group Structure



Note: Based on pro forma 2017 sales. Pro forma sales includes reported CIRCOR revenue of \$662 and \$433 of revenue from Fluid Handling for the period January 1 through December 10, 2017.

# Use of Non-GAAP Financial Measures



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

- We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.
- We exclude certain acquisition-related costs, including significant transaction costs and amortization of inventory and fixed asset step-ups and the related tax effects. We exclude these costs because we do not believe they are indicative of our normal operating costs.
- We exclude the expense and tax effects associated with the non-cash amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of up to 25 years. Exclusion of the non-cash amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.
- We also exclude certain gains/losses and related tax effects, which are either isolated or cannot be expected to occur again with any predictability, and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business, significant litigation-related matters and lump-sum pension plan settlements.

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

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

A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's fourth-quarter 2017 news release available on its website at [www.CIRCOR.com](http://www.CIRCOR.com).

Figures labeled "Adjusted" exclude certain charges and recoveries. A description of these charges and recoveries and a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's fourth-quarter 2017 news release available on its website at [www.CIRCOR.com](http://www.CIRCOR.com).

## CIRCOR Updates Q4 2017 Guidance Range Ahead of Gabelli Conference Presentation

*Company expects revenue of \$167 million to \$170 million and adjusted earnings per share of \$0.48 to \$0.51*

BURLINGTON, Mass.--(BUSINESS WIRE)--Feb. 22, 2018-- [CIRCOR International, Inc.](#) (NYSE: CIR) today updated its Q4 2017 adjusted EPS and revenue guidance ahead of its presentation at Gabelli & Company's Pump, Valve & Water Systems Symposium. CIRCOR originally provided fourth-quarter guidance during its third-quarter 2017 earnings call on October 27.

The Company now forecasts Q4 2017 revenue in the range of \$167 million to \$170 million (compared with a previous range of \$155 million to \$175 million) and adjusted earnings per share of \$0.48 to \$0.51 (compared with a prior range of \$0.35 to \$0.55 per share). This updated guidance and the prior guidance ranges for revenue and adjusted earnings per share exclude any transaction and financing costs related to CIRCOR's acquisition of the Fluid Handling business from Colfax Corporation, and also exclude the results of operations from the acquisition for the period December 11, 2017 to December 31, 2017. The transaction was closed on December 11, 2017. Adjusted EPS excludes any restructuring and special charges.

### **Gabelli Symposium Webcast**

CIRCOR President and Chief Executive Officer [Scott Buckhout](#) will participate in an analyst-hosted discussion at the Gabelli Symposium. The discussion and presentation will be webcast live at 8:30 a.m. ET today. A link to the webcast can be found on the "[Webcasts & Presentations](#)" section of the Company's investor relations website at <http://investors.circor.com>. An archive of the event will be available for approximately 90 days.

CIRCOR plans to announce its fourth-quarter and full-year 2017 results on Wednesday, February 28, 2018.

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's revenue and adjusted EPS expectations for the fourth quarter of 2017 and the Fluid Handling acquisition. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT [WWW.CIRCOR.COM](http://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.

### **About CIRCOR International, Inc.**

[CIRCOR International, Inc.](#) designs, manufactures and markets differentiated technology flow control products and sub-systems for markets including oil & gas, industrial, aerospace & defense and commercial marine. CIRCOR has a diversified flow and motion control product portfolio with recognized,

market-leading brands that fulfill its customers' mission critical needs. The Company's strategy is to grow organically and through complementary acquisitions; simplify CIRCOR's operations; achieve world class operational excellence; and attract and retain top talent. For more information, visit the Company's investor relations website at <http://investors.circor.com>.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20180222005705/en/>

Source: CIRCOR International, Inc.

CIRCOR International, Inc.  
Rajeev Bhalla, 781-270-1210  
Executive Vice President and Chief Financial Officer