



Energy | Advanced Flow Solutions

Baird 2017 Global Industrial Conference

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President & CEO

November 8, 2017

This presentation 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. These statements may often be identified by the use of words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will,” “potential,” and similar terms and expressions. 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, statements regarding the benefits and synergies of the proposed acquisition of the Fluid Handling business, including the effect of the transaction on revenue, cost savings, earnings and operating margin; the expected timing for completing the transaction; CIRCOR’s expected product offerings, market position and market opportunities; and the availability of debt financing for the transaction. The following important factors and uncertainties, among others, could cause actual events, performance or results to differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements: the ability to satisfy the conditions to closing of the proposed transaction, on the expected timing or at all; the ability to obtain required regulatory approvals for the proposed transaction, on the expected timing or at all; the occurrence of any event that could give rise to the termination of the acquisition agreement; higher than expected or unexpected costs associated with or relating to the transaction; the risk that expected benefits, synergies and growth prospects of the transaction may not be achieved in a timely manner, or at all; the risk that the Fluid Handling business may not be successfully integrated with CIRCOR’s business following the closing; the risk that CIRCOR will be unable to retain and hire key personnel; and the risk that disruption from the transaction may adversely affect CIRCOR’s business and relationships with its customers, suppliers or employees. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Overview of CIRCOR



(\$ millions)



Pro forma Revenue:	\$1,080
PF Adjusted EBITDA:	12.1%
Employees:	~4,900

Energy

Revenue \$344
Adj. EBITDA 11.5%

Key Product Categories:

- Distributed Valves
- Engineered Valves
- Instrumentation & Sampling
- Refinery Valves



Key Brands:



Advanced Flow Solutions

Revenue \$270
Adj. EBITDA 15.5%

Key Product Categories:

- Aerospace Valves
- Defense Switches and Sensors
- Pump Protecting Valves
- Control Valves



Key Brands:



Fluid Handling

Revenue \$466
Adj. EBITDA 14.3%

Key Product Categories:

- 3 Screw Pumps
- 2 Screw Pumps
- Specialty Centrifugal
- Progressing Cavity



Key Brands:



Note: Amounts LTM as of Q3 2017. All EBITDA margins are pre-synergy. Consolidated PF adjusted EBITDA includes corporate expenses.
Certain Fluid Handling product lines will be merged with Energy or Advanced Flow Solutions after closing.

Transaction Consistent with Disciplined M&A Strategy



Differentiated Technology

- Severe service engineered applications in niche flow control segments
- A leader in 3-screw pumps
- A leader in 2-screw and specialty centrifugal pumps

Compelling Growth Opportunity

- Robust new product development pipeline
- Cyclical rebound in Commercial Marine and Oil & Gas
- Steady aftermarket growth

Realizable Synergies

- Sourcing savings, G&A reductions, and manufacturing rationalization
- Upside sales synergies in certain end markets

Attractive Financial Impact

- Operating margin and cash flow accretive in year 1 with upside from synergies
- Strong ROIC

**Building on
Track Record
of Successful M&A**



Fluid Handling at-a-Glance



Global Manufacturer of Specialty Pumping Solutions



- Designs, manufactures, distributes and supports specialty pumps for severe service applications
- Employees: ~1,900 globally

Pump Products

3 Screw



2 Screw



Progressing Cavity



Specialty Centrifugal

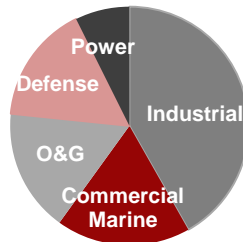


Precision Metering

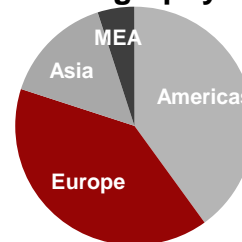


Sales Mix

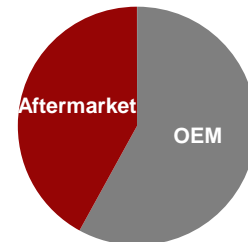
End Markets



Geography



Aftermarket / OEM

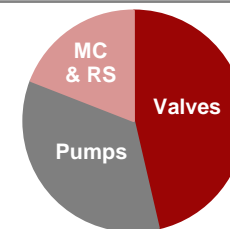
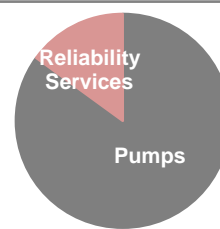
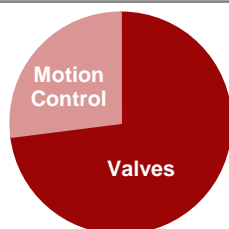


Footprint

- 7 production facilities
- 4 systems integration shops
- 260 authorized distributors in 90 countries

Pro forma Combined Company Profile

(\$ millions)



Broader Product Offering

Greater Scale (Sales)

\$614



\$466



\$1,080

Margin Expansion (Adj. EBITDA)

10%



14%



14% Synergies

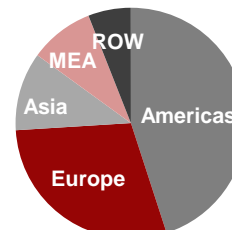
12%

Combined Sales Mix

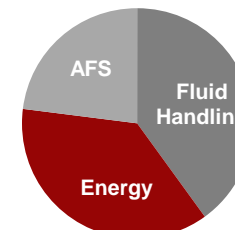
End Markets



Geography



Segment

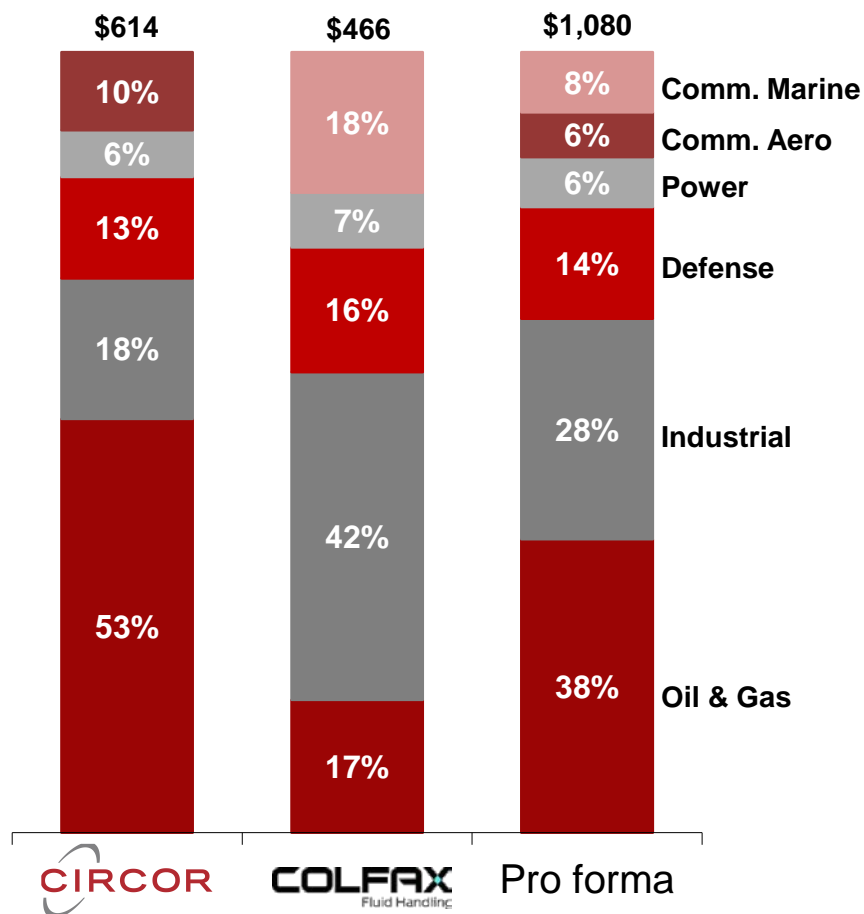


Note: Amounts presented LTM Q3 2017 with the exception of combined Sales Mix which is presented as of FY2016A

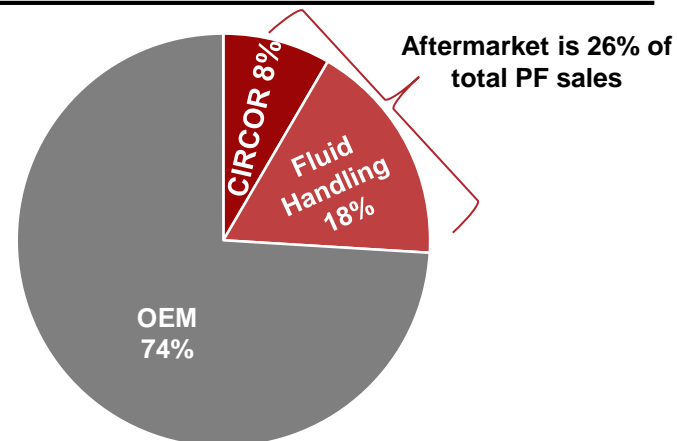
Diversified End Market Exposure

(\$ millions)

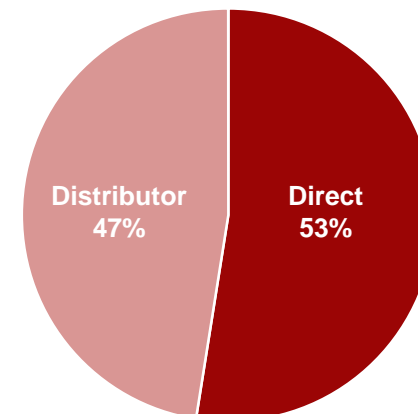
Sales Mix by End Market



Sales Mix by Aftermarket vs. OEM



Sales Mix by Channel



Note: Amounts presented LTM Q3 2017

Significant Synergy Potential

(\$ millions)

Anticipate \$23 of Synergies by Year 4

Cost

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

\$23

Manufacturing
Rationalization

G&A
Reduction

Sourcing

Potential Upside on Sales

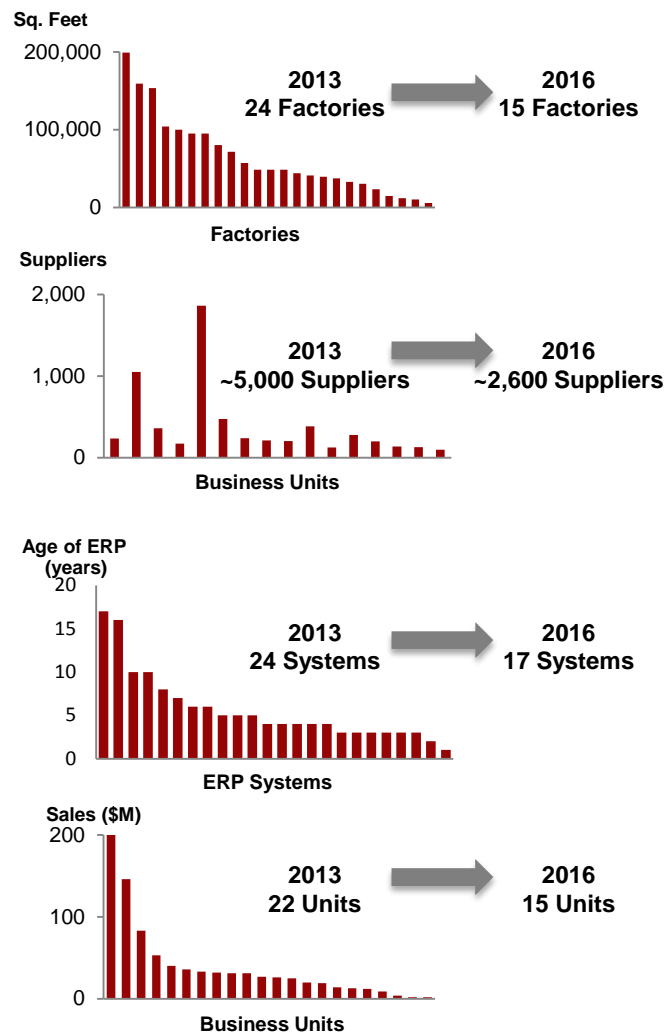
- ☒ Oil & Gas and Defense end markets



Applying the CIRCOR Playbook to Fluid Handling



CIRCOR Simplification Since 2013













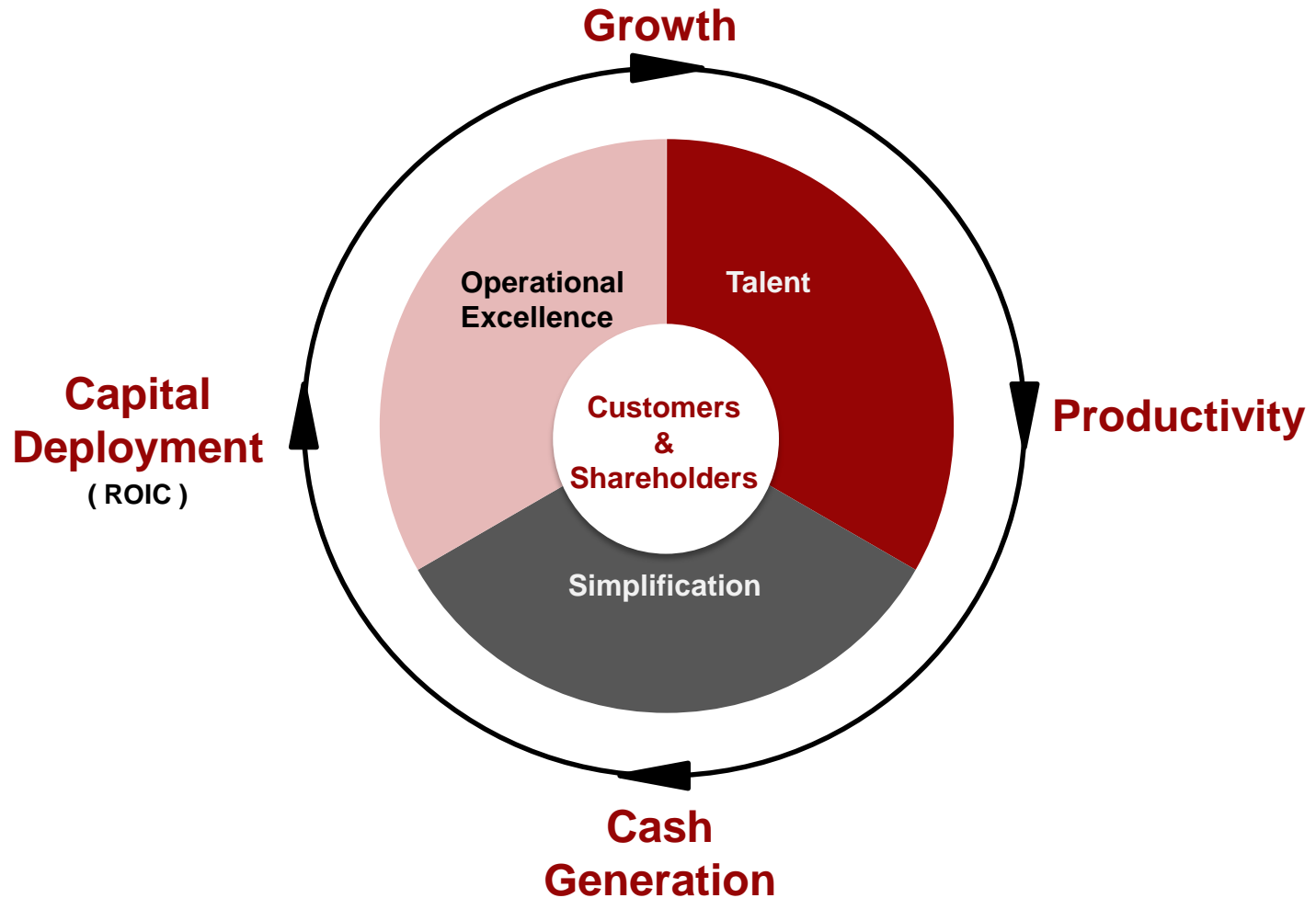
Note: CIRCOR 2013 – 2016 excludes acquisitions

Opportunities with Fluid Handling

Manufacturing	
<p>★ Headquarters ● CIRCOR Manufacturing facility ● Fluid Handling Manufacturing facility</p>	
Description	Opportunity
<ul style="list-style-type: none"> 5 factories in high-cost locations (95% of hours) 4 system integration shops Vertically integrated 	<ul style="list-style-type: none"> Rationalization Make-to-buy opportunities Transition to low-cost
Supply Chain	
Description	Opportunity
<ul style="list-style-type: none"> ~630 suppliers >95% of suppliers in high-cost locations 	<ul style="list-style-type: none"> Consolidation Transition to low-cost
OPEX	
Description	Opportunity
<ul style="list-style-type: none"> Duplicative OPEX infrastructure 	<ul style="list-style-type: none"> Leverage existing CIRCOR shared services and overhead

End Market Outlook

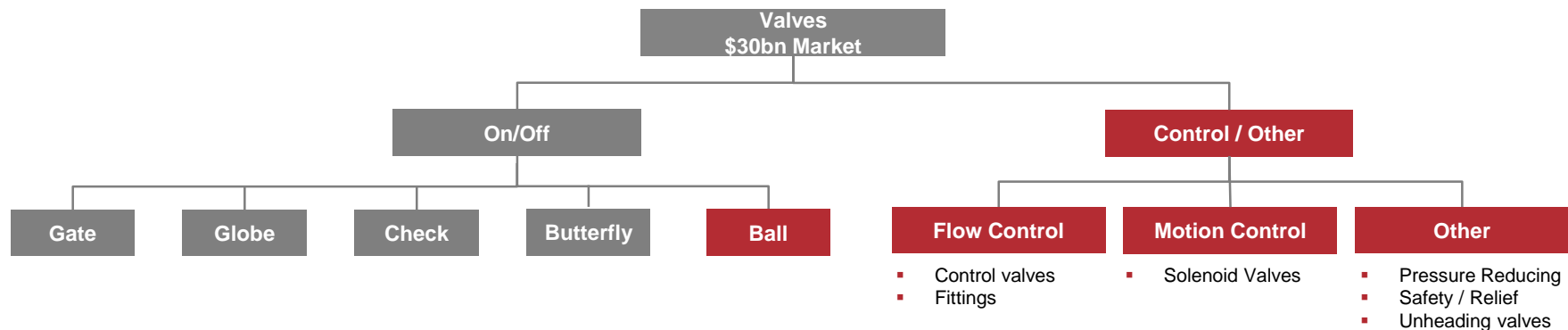
Segment	Trends	Outlook
 Oil & Gas	<ul style="list-style-type: none"> ▪ Exceptional strength in unconventional investment in N. America ▪ Moderate increase in upstream outside N. America ▪ Increase in new pipelines and upgrades ▪ Refining capacity growth in Middle East and Asia Pacific ▪ Refining expansions and upgrades in the Americas 	
 Industrial	<ul style="list-style-type: none"> ▪ Chemical processing buildout in Asia ▪ Global increase in wastewater processing ▪ Energy efficiency initiatives 	
 Defense	<ul style="list-style-type: none"> ▪ Global increases in defense spending ▪ Key programs to receive increased funding <ul style="list-style-type: none"> ▪ Submarines / aircraft carriers ▪ F35 Joint Strike Fighter 	
 Power Generation	<ul style="list-style-type: none"> ▪ Emerging markets fuel power investment growth ▪ Asia representing 70% of incremental power capacity 	
 Aerospace	<ul style="list-style-type: none"> ▪ Commercial aircraft build rates and backlog at historic highs ▪ Global airline passenger traffic growth over 5% 	
 Commercial Marine	<ul style="list-style-type: none"> ▪ Shipbuilding demand showing signs of recovery ▪ Expanded global fleet aging, increasing aftermarket demand ▪ Continued growth in trade import and export volume 	



CIRCOR Absolutes: Ethics, Safety, Controls

APPENDIX

Global Valve Market Overview




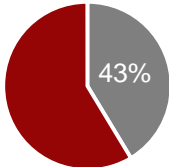

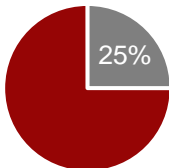

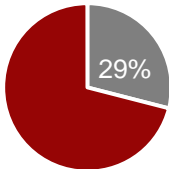

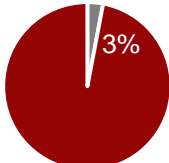
General Valve Market (~60-70% of Total Market)

- Lower priced, commoditized
- Basic design and function to open/close
- Simple liquids like water
- Stock and sell business model, limited application know how
- Typical operating parameters
 - Ambient conditions (Low temperature and pressure)
- Serves a broad range of applications, typically non critical balance of plant secondary processes:
 - Building / Construction (Residential, commercial)
 - Residential (heating, water)
 - Public Utilities (water treatment, transport)
 - Industrial processes (Water, oil applications in steel mills, textiles, manufacturing)

CIRCOR Target Market (~25% of Total Market)


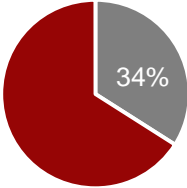

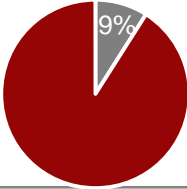

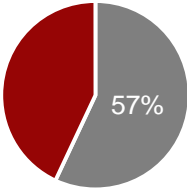
- Severe service and critical process flow control
- Ball valves and control valves engineered to meet specific application requirements
- Typical operating parameters
 - High temperatures (Power plant turbines, Refinery fractionators)
 - High pressures (superheated steam, subsea, downhole)
 - Aggressive liquids (upstream crude, refinery distillates)
 - Special system specs (critical to high value equipment like turbines, cokers, submarines, aircraft braking systems)
 - Precision control (commercial and military jet steering, landing gear actuation systems)

Energy: Product Portfolio Overview

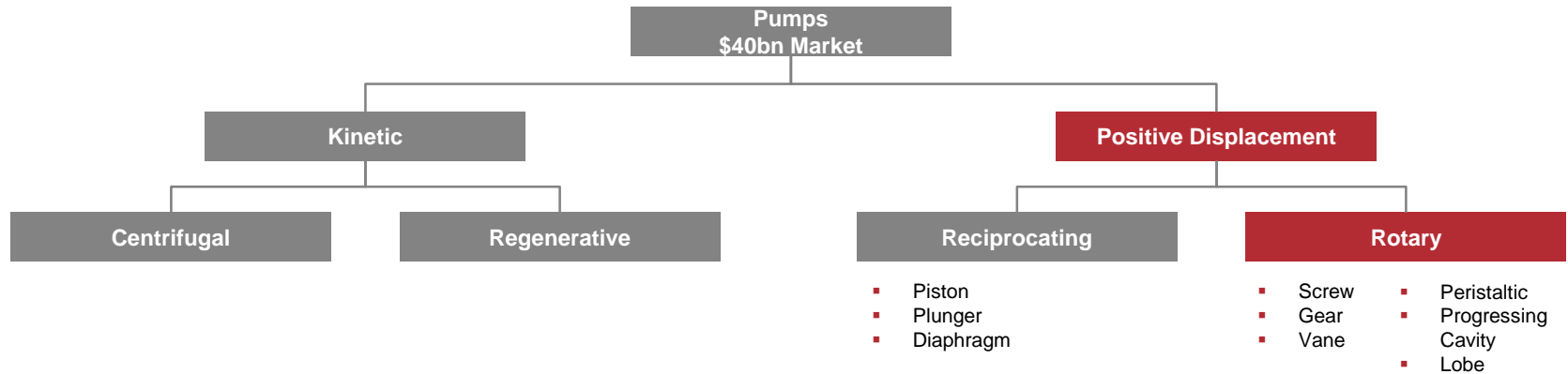
Products	Applications	% of Q3 LTM 2017 Energy Sales	Severity of Application	Key Differentiators
Ball Valves 	<ul style="list-style-type: none"> Blowdown Compressor Stations Gas transmission and separation systems 		High	<ul style="list-style-type: none"> Full range 1" – 60" Temp range -320°F to +1470°F Operating pressure up to 20,000 PSI Very high energy dissipation
Refinery Valves 	<ul style="list-style-type: none"> Refining Delayed cooking process 		Extreme	<ul style="list-style-type: none"> Fully sealed housing providing totally enclosed system Fully automated remote operation 20 year operational life Patented dynamic seat technology
Instrument Valves and Fittings 	<ul style="list-style-type: none"> Process controls 		Medium	<ul style="list-style-type: none"> High tolerance NPT thread Durable in harsh conditions Ability to remake fitting Controlled ferrule drive prevents overstressing of connection
Cleaning Assessment Tool 	<ul style="list-style-type: none"> Pipeline cleaning 		High	<ul style="list-style-type: none"> Caliper system and process data logging Measure debris of 1mm or less

Advanced Flow Solutions: Product Portfolio Overview



Products	Applications	% of Q3 LTM 2017 AFS Sales	Severity of Application	Key Differentiators
Control Valves and Actuators 	<ul style="list-style-type: none"> Steam boilers Paper manufacture Water treatment 		Medium	<ul style="list-style-type: none"> Full range 1 inch to 30 inch Temperature range up to 1065°F Customizable for special applications
Pump Protection Valve 	<ul style="list-style-type: none"> Boiler systems Condensate systems Main steam system 		High	<ul style="list-style-type: none"> Protects pumps from overheating Up to eight stage pressure reduction Completely self contained and fully automatic operation
Aerospace Valves and Controls 	<ul style="list-style-type: none"> Aircraft Brake pedal position sensor 		High	<ul style="list-style-type: none"> Converts angular position into a DC voltage Operates in harsh conditions Patented switch technology Operating pressures up to 5,000 psi

Global Pump Market Overview



General Pump Market (~60-70% of Total Market)


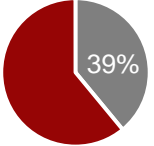

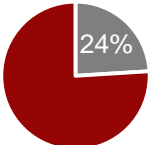


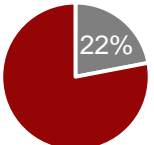


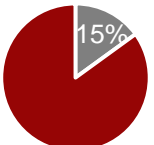
- Less expensive (commoditized)
- Moving basic fluids like fresh water
- Mostly Centrifugal pumps
- Typical operating parameters
 - Ambient temperatures
 - Low viscosity
 - Low pressure
- Serves a broad range of applications
 - Recreation (Pools, aquariums, fountains)
 - Agriculture (Irrigation, application)
 - Residential (heating, wells)
 - Public Utilities (firefighting, portable water)

Fluid Handling Target Market (~15% of Total Market)

- High demand mission critical applications
- Positive displacement or specialty centrifugal
- Typical operating parameters
 - High temperatures (heat exchangers, hot oil)
 - Caustic fluids (saltwater, acids)
 - Viscosity extremes (asphalt, polymers, gums)
 - Special system specs (sensitive to shear or pulsation, non-Newtonian)
 - Low noise (submarines, elevators)
 - High pressures (up to 10,00 PSI, 690 bar)
 - Precision metering (medical tubing extrusion, additives, labs)
 - Fluids with abrasives (fluids with titanium oxide)

Fluid Handling: Differentiated Product Portfolio



Products	Applications	% of 2016 FH Sales	Severity of Application	Key Differentiators
3 Screw Pump 	<ul style="list-style-type: none"> Fuel oil transfer Machinery lubrication Hydraulic systems 		High	<ul style="list-style-type: none"> Highest efficiency Ultra-quiet pumps World-class manufacturer Global reach
Specialty Centrifugal Pump 	<ul style="list-style-type: none"> Marine engine room and other ship applications Chemical processing Water treatment 		High	<ul style="list-style-type: none"> Wide range of low viscosity fluid applications Low vibration. Low noise Continuous pumping
Progressing Cavity 	<ul style="list-style-type: none"> Sludge removal Chemical slurries and coagulants Drilling mud 		Extreme	<ul style="list-style-type: none"> Extreme high viscosity capabilities Handles shear-sensitive fluids Low pulsation
2 Screw Pump 	<ul style="list-style-type: none"> Fuel loading / unloading Tank stripping Multiphase flows 		Extreme	<ul style="list-style-type: none"> High temperature compatibility High fluid contaminant capability Broadest portfolio in capacity range Dry run capability
Precision Metering Pumps 	<ul style="list-style-type: none"> Chemical dosing Pipeline and process injection Food and beverage filling 		High	<ul style="list-style-type: none"> Highest accuracy metering Handles difficult applications Long product life
Reliability Services 	<ul style="list-style-type: none"> Oil purification Chemical cleaning 		N/A	<ul style="list-style-type: none"> Co-locations near large customers Proprietary oil mist systems Specialized to clean / recondition

Use of Non-GAAP Financial Measures

(\$ millions)

Use of Non-GAAP Financial Measures

Adjusted operating income, Adjusted operating margin, Adjusted net income, Adjusted earnings per share (diluted), EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, pro forma combined figures, net debt, net leverage 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 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 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 competitors. We use such measures when publicly providing our business outlook, assessing future earnings potential, evaluating potential acquisitions and dispositions and in our financial and operating decision-making process, including for compensation purposes.

Investors should recognize that these non-GAAP measures might not be comparable to similarly titled measures of other companies. These measures should be considered in addition and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with accounting principles generally accepted in the United States. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures used in this presentation is presented below. Reconciliations of forward-looking non-GAAP measures, including net debt-to-EBITDA ratio, to their most directly comparable GAAP measures are not being provided in this presentation because future operating results, cash flows and debt levels cannot be reasonably calculated or predicted at this time. Accordingly, such reconciliations are not available without unreasonable effort.

Reconciliation of Adjusted EBITDA Margin

Twelve Months Ended Q3 2017

	CIRCOR (a)		Fluid Handling (b)		Pro Forma Combined (c)	
Revenue	614		466		1,080	
Net Income	15	2%	14	3%	29	3%
Interest Expense	8	1%	2	0%	10	1%
Income Taxes	(2)	0%	12	3%	10	1%
Depreciation & Amortization	29	5%	11	2%	40	4%
Stock Compensation Expense	4	1%	1	0%	5	0%
Restructuring, Special & Other Charges	10	2%	22	5%	32	3%
Diligence Adjustments (d)	-	0%	4	1%	4	0%
Adjusted EBITDA	64		67		131	
Adjusted EBITDA Margin	10%		14%		12%	

Notes:

- (a) Represents CIRCOR twelve months ended Q3 2017
- (b) Represents Fluid Handling twelve months ended Q3 2017
- (c) Represents the sum of the CIRCOR and Fluid Handling columns
- (d) Diligence adjustments includes certain pension adjustments and losses associated with closed business to better reflect ongoing operations post-acquisition

Segment Information	Energy	% of Rev	AFS	% of Rev
Segment Operating Income	32	9.4%	35	12.9%
Depreciation, Amortization & Stock Compensation	7	2.0%	7	2.4%
Adjusted EBITDA	40	11.5%	42	15.5%