

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): January 23, 2023



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.)

Burlington,
(Address of principal executive offices)

30 CORPORATE DRIVE, SUITE 200
MA

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 7.01. Regulation FD Disclosure

On January 23, 2023, representatives of CIRCOR International, Inc. (the "Company") will begin using the materials included in Exhibit 99.1 to this report (the "Investor Presentation") in connection with presentations to existing and prospective investors. The Investor Presentation is incorporated into this Item 7.01 by this reference and will be available on the Company's website at investors.circor.com.

The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company or any of its affiliates. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, except as required by law, although it may do so from time to time. Any such update may be made through the filing of other reports or documents with the SEC, through press releases or other public disclosure.

The information in this Item 7.01 of Form 8-K and the attached Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 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 Securities Exchange Act of 1934, except as expressly set forth by special reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

99.1	CIRCOR Investor Presentation in use beginning January 23, 2023
101.SCH	Inline XBRL Taxonomy Extension Schema 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 (embedded with the Inline XBRL document)

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.

January 23, 2023

CIRCOR INTERNATIONAL, INC.

/s/ Jessica W. Wenzell

Jessica W. Wenzell

General Counsel & Chief People Officer



Investor Presentation

January 23, 2022

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 and subsequent quarterly reports on Form 10-Q, which can be accessed under the “Investors” link of the Company’s website at www.circor.com. These forward-looking statements are made as of the date of the presentation, and 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, except as required by law.

Use of Non-GAAP Financial Measures



Within this presentation, the Company uses the non-GAAP financial measures organic revenue, adjusted net income, EBITDA, adjusted EBITDA, Compliance Adjusted EBITDA, adjusted operating income, adjusted operating margin, adjusted earnings per share (diluted), 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.

Flow Control for Mission-Critical Applications



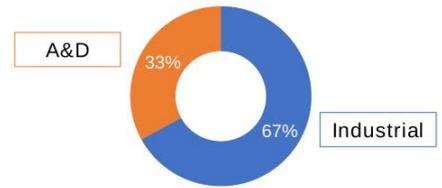
Key Points

- Leadership in served markets
- Well-positioned on key aerospace and defense platforms
- Leveraging core technology to drive growth in adjacent markets
- Global and diverse end markets with longstanding loyal customer base
- Large aftermarket platform primed for value pricing and growth

Leading Brands



Revenue by End Market¹



Revenue by Region¹

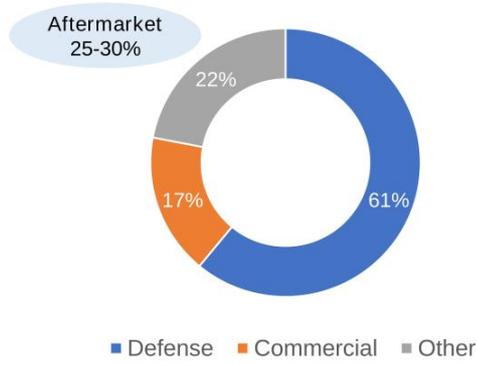


¹ References in this presentation to "Revenue by" refers to 2021 financial revenue by end market and geographic region.

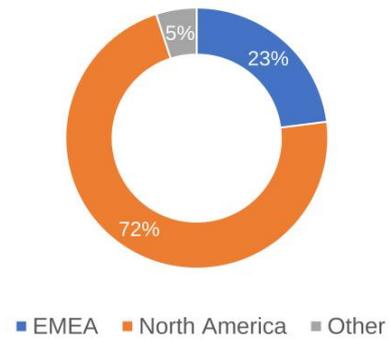
A&D Segment Revenue Profile¹



% Segment Revenue by End Market



% Segment Revenue by Region

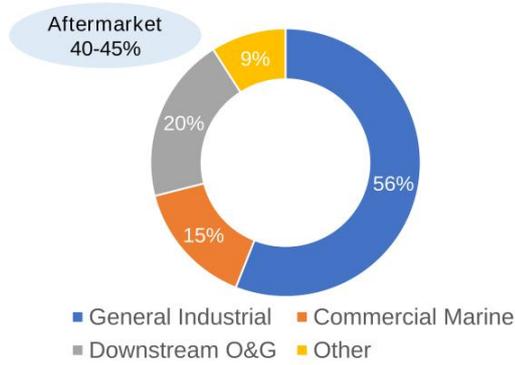


¹ References in this presentation to "Revenue Profile" refers to 2021 financial revenue by end market and geographic market.

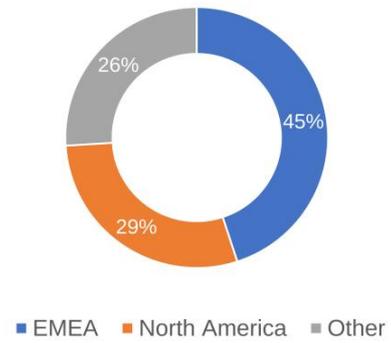
Industrial Segment Revenue Profile¹



% Segment Revenue by End Market



% Segment Revenue by Region



¹ References in this presentation to "Revenue Profile" refers to 2021 financial revenue by end market and geographic market.

Delivering on our Strategic Priorities



Growth

- Leveraging products and technologies in growing markets
- Deepening customer engagement
- Expanding strong aftermarket business

Margin Expansion

- Value pricing
- Simplification
- Best-cost country sourcing and manufacturing
- Factory modernization

De-Levering our Balance Sheet

- Exited loss-making Pipeline Engineering business
- Continued focus on improving cash flow from operations
- Leveraging select sale-leaseback transactions

YTD¹ 2022 Highlights



vs. YTD 2021

Organic orders	+10%
Backlog	+14%
Revenue	+3%
Organic revenue	+9%
AOI (%)	+340 bps
AOI (\$)	+60%
Adjusted EPS	+89%

Commentary

- Solid execution navigating supply chain constraints
- Successful pricing execution more than offsetting inflation
- Overhead cost reduction and cost controls
- Demand environment remains positive
- Backlog, orders and margin growth position us well for year end and into 2023

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

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

Leveraging Core Technology to Drive Growth in Adjacent Markets



Hydrogen Applications



High pressure/ Low temperature transportation solution across hydrogen value chain

FY' 21 Orders: \$3M
September 2022 YTD Orders: \$8M

Medical Devices



Supply critical products used in blood collection devices and cardiac assist equipment to leading medical equipment OEMs

FY' 21 Orders: \$18M
September 2022 YTD Orders: \$24M

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

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
YTD¹ 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%

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

YTD¹ 2022 Financial Results Summary



(\$ in millions, except EPS)

CIRCOR	YTD'22	YTD'21	Change
Backlog	\$497	\$436	14%
Orders	658	631	4%
Organic %			10%
Revenue	572	554	3%
Organic %			9%
GAAP operating income	42.6	(10.4)	511%
GAAP operating margin	7.5%	(1.9)%	940 bps
Adjusted operating income (AOI)	54.3	33.8	60%
AOI%	9.5%	6.1%	340 bps
GAAP income (Loss) per Share	\$0.68	\$(1.65)	141%
Adjusted EPS	\$1.06	\$0.56	89%
Adjusted EBITDA	71.0	50.1	42%
Adjusted FCF	\$(42.5)	\$(10.7)	(297)%

* Financial results include results from the Pipeline Engineering business includes \$2.3 million of orders, \$3.2M of revenue and \$(4.4M) in AOI YTD 2022 and \$17.3 million of orders, \$9.4 million of revenue and \$(6.7) million of AOI YTD 2021.

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021. Organic revenue, Adjusted Operating Income (AOI), AOI%, Adjusted EPS, Adjusted EBITDA and Adjusted Free Cash Flow (FCF) are non-GAAP measures.

Commentary

- Backlog and orders growth
- Broad-based revenue growth across businesses
- 340 bps of AOI margin expansion driven by net pricing, cost take-out and exit of Pipeline Engineering
- Adjusted EPS growth...higher AOI partly offset by higher interest
- Adjusted FCF impacted by restatement cost, CEO severance, ongoing strategic review, FX, Russia sanctions and selective investments in working capital

YTD¹ 2022 A&D Segment Highlights



(\$ in millions)

Aerospace & Defense	YTD'22	YTD'21	Change
Backlog	\$214	\$181	18%
Orders	237	181	31%
Organic %			35%
Revenue	203	183	11%
Organic %			14%
AOI	\$41.7	\$37.7	11%
AOI%	20.6%	20.6%	0%

Commentary

- Exceptional orders growth driven by commercial aerospace recovery, medical and hydrogen products, defense aftermarket and missile programs
- Strong revenue growth...across businesses
- AOI margins flat on a difficult prior-year compare

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021. Organic Revenue, Adjusted Operating Income (AOI), and AOI% are non-GAAP measures.

YTD¹ 2022 Industrial Segment Highlights



(\$ in millions)

Industrial	YTD'22	YTD'21	Change
Backlog	\$283	\$255	11%
Orders	421	449	(6)%
Organic %			0%
Revenue	370	371	0%
Organic %			6%
AOI	\$31.1	\$20.2	54%
AOI%	8.4%	5.4%	300 bps

Commentary

- Flat organic orders – strong industrial aftermarket growth, offset by Pipeline Engineering exit, downstream lumpiness and timing of a large Navy order
- Organic revenue growth across businesses
- +300 bps AOI margin expansion...net pricing, cost optimization, growing aftermarket and Pipeline Engineering exit

* Financial results include results from the Pipeline Engineering business includes \$2.3 million of orders, \$3.2M of revenue and \$(4.4M) in AOI YTD 2022 and \$17.3 million of orders, \$9.4 million of revenue and \$(6.7) million of AOI YTD 2021.

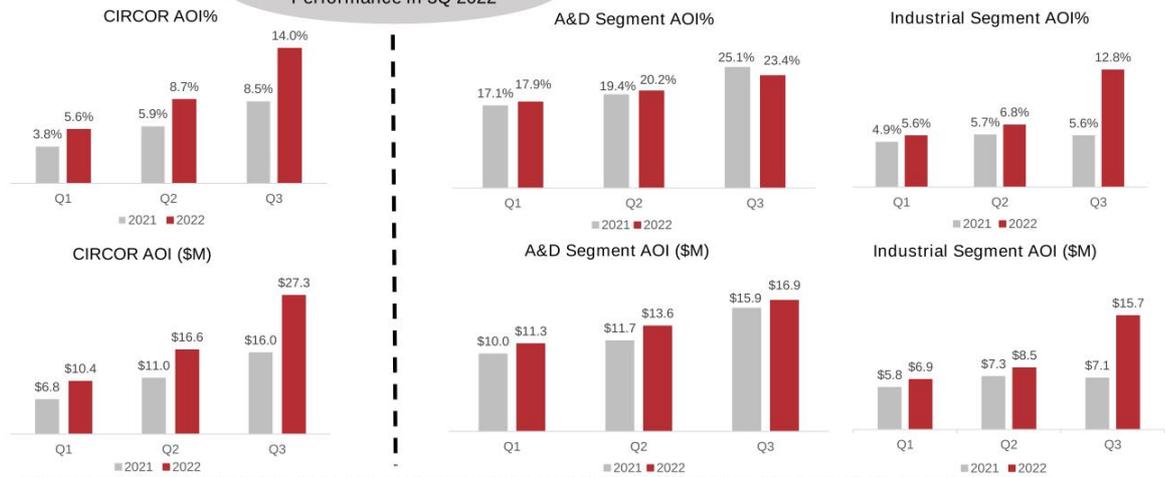
¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

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

Quarterly Adjusted Operating Income



Step Change
Performance in 3Q 2022



* Financial results include results from the Pipeline Engineering business of Q1'2022 \$3.0M of revenue and \$(3.2M) in AOI, Q2'2022 \$0.2M of revenue and \$(1.1M) in AOI, Q3'2022 \$0.0M of revenue and \$(0.2M) in AOI and Q1'2021 \$3.0M of revenue and \$(2.5M) in AOI, Q2'2021 \$3.1M of revenue and \$(1.8M) in AOI, Q3'2021 \$3.2M of revenue and \$(2.5M) in AOI. Adjusted Operating Income (AOI) and AOI % is a non-GAAP measure.

Net Debt and Leverage



(\$ in millions)

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

Commentary

- Executed ~\$55M of sale and sale-leaseback (SLB) transactions YTD
- De-levering through the year...reduction in net debt and expanding TTM EBITDA

Net Debt, Adjusted EBITDA and Compliance Adjusted EBITDA are non-GAAP measures. ¹ – Net Debt defined as total debt (Term Loan B and revolvers) less cash or cash equivalents ² – TTM defined as trailing twelve months ³ – Net Leverage is defined as calculated measure of net debt divided by adjusted earnings before taxes, depreciation and amortization TTM ⁴ – Compliance Leverage is defined 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>.

- 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



Appendix

YTD¹ Organic Orders and Revenue vs. PY



(\$ in thousands)

	CIRCOR			Aerospace & Defense			Industrial		
	3Q 22 YTD	3Q 21 YTD	Variance %	3Q 22 YTD	3Q 21 YTD	Variance %	3Q 22 YTD	3Q 21 YTD	Variance %
Reported Orders	\$658,374	\$630,615	4%	\$237,429	\$181,270	31%	\$420,945	\$449,345	-6%
Divestitures	-	-		-	-		-	-	
FX	36,422	-		6,978	-		29,445	-	
Organic	\$694,796	\$630,615	10%	\$244,406	\$181,270	35%	\$450,390	\$449,345	0%

	CIRCOR			Aerospace & Defense			Industrial		
	3Q 22 YTD	3Q 21 YTD	Variance %	3Q 22 YTD	3Q 21 YTD	Variance %	3Q 22 YTD	3Q 21 YTD	Variance %
Reported Revenue	\$572,392	\$553,750	3%	\$202,860	\$182,562	11%	\$369,532	\$371,188	0%
Divestitures	-	-		-	-		-	-	
FX	30,563	-		5,521	-		25,043	-	
Organic	\$602,956	\$553,750	9%	\$208,381	\$182,562	14%	\$394,575	\$371,188	6%

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

Organic Revenue is a non-GAAP measure. Note regarding financial statements: 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.

YTD¹ GAAP Net (Loss) Income to EBITDA and Adjusted EBITDA



(\$ in thousands)

	2021 3Q YTD TOTAL	2022 3Q YTD TOTAL
NET (LOSS) INCOME	\$ (33,209)	\$ 13,949
LESS:		
Interest expense, net	24,325	31,481
Depreciation	17,505	15,012
Amortization	31,929	27,704
Provision for income taxes	3,212	2,536
Loss (income) from discontinued operations	(1,393)	-
EBITDA	\$ 42,369	\$ 90,682
LESS:		
Restructuring related inventory charges (recoveries)	899	2,757
Restructuring charges (recoveries), net	4,029	10,969
Special (recoveries) charges, net	2,779	(33,399)
Goodwill impairment charge	-	-
ADJUSTED EBITDA	\$ 50,076	\$ 71,009

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

Adjusted EBITDA is a non-GAAP measure. Note regarding financial statements: 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.

YTD¹ GAAP Net (Loss) Income to Adjusted Net Income and Adjusted EPS (diluted)



(\$ in thousands)

	2021 3Q YTD TOTAL	2022 3Q YTD TOTAL
NET (LOSS) INCOME	\$ (33,209)	\$ 13,949
LESS:		
Restructuring related inventory charges	899	\$ 2,757
Restructuring charges, net	4,029	\$ 10,969
Acquisition amortization	31,402	\$ 27,687
Acquisition depreciation	5,114	\$ 3,620
Special (recoveries) charges, net	2,779	\$ (33,399)
Goodwill Impairment charge	-	\$ -
Income tax impact	1,785	\$ (3,889)
Net loss (income) from discontinued operations	(1,393)	\$ -
ADJUSTED NET INCOME	<u>\$ 11,406</u>	<u>\$ 21,694</u>
(LOSS) EARNINGS PER COMMON SHARE (Diluted)	\$ (1.65)	\$ 0.68
LESS:		
Restructuring related inventory charges	0.04	\$ 0.14
Restructuring charges, net	0.20	\$ 0.54
Acquisition amortization	1.55	\$ 1.36
Acquisition depreciation	0.25	\$ 0.18
Special (recoveries) charges, net	0.14	\$ (1.64)
Impairment charge	-	\$ -
Income tax impact	0.09	\$ (0.19)
Earnings (Loss) per share from discontinued operations	(0.07)	\$ -
ADJUSTED EARNINGS PER SHARE (Diluted)	<u>\$ 0.56</u>	<u>\$ 1.06</u>

¹ References in this presentation to "YTD" mean: (i) for 2022, through the nine months ended October 2, 2022; and (ii) for 2021, through the nine months ended October 3, 2021.

Adjusted Net Income and Adjusted EPS are non-GAAP measures. Note regarding financial statements: 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.

YTD¹ Net Cash (Used In) Provided by Operating Activities to Adjusted Free Cash Flow



(\$ in thousands)

	2021 3Q YTD TOTAL	2022 3Q YTD TOTAL
Net Cash (Used In) Provided By Operating Activities	\$ (147)	\$ (29,332)
LESS		
Capital expenditures, net of sale proceeds ¹	\$ 10,577	\$ 13,209
ADJUSTED FREE CASH FLOW	\$ (10,724)	\$ (42,541)
Gross Debt	\$ 518,464	\$ 522,975
Less: Cash & Cash equivalents	58,013	47,131
GROSS DEBT, NET OF CASH	\$ 460,451	\$ 475,844
TOTAL SHAREHOLDERS' EQUITY	\$ 121,256	\$ 122,082
GROSS DEBT AS % OF EQUITY	428%	428%
GROSS DEBT, NET OF CASH AS % OF EQUITY	380%	390%

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

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Adjusted Free Cash Flow (FCF) is a non-GAAP measure. Note regarding financial statements: 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.

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



(\$ in thousands)

	2021					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
GAAP OPERATING (LOSS) INCOME	\$ (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	-	-	-	-
ADJUSTED OPERATING INCOME	\$ 6,787	\$ 11,029	\$ 16,034	\$ 20,479	\$ 54,331	\$ 10,407	\$ 16,565	\$ 27,307	\$ 54,279
GAAP OPERATING MARGIN	-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%
ADJUSTED OPERATING MARGIN	3.8%	5.9%	8.5%	10.0%	7.2%	5.6%	8.7%	14.0%	9.5%

Adjusted Operating Income (AOI) and AOI % are non-GAAP measures. Note regarding financial statements: 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.

3Q'22 Segment Information



(\$ in thousands)

	2021					2022			
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	TOTAL
As reported									
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%
Pipeline Engineering¹									
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%

¹ Quantifies the impact of the Pipeline Engineering business on the Industrial Segment. Adjusted Operating Income (AOI) and AOI % are non-GAAP measures. Note regarding financial statements: 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.

Reconciliation of Forward-Looking Non-GAAP Measures



This presentation contains forward-looking estimates of organic revenue growth, AOI, adjusted EBITDA and adjusted EPS (diluted) for full year 2022, each of which are non-GAAP measures. 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 (diluted) to a forward-looking estimate of full year 2022 GAAP revenue growth, GAAP operating income (loss), GAAP net income (loss) and GAAP EPS (diluted) 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, each of which may be significant. 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.

