

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

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**Date of Report (Date of earliest event reported): April 28, 2015**

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

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**DELAWARE**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-14962**  
(Commission file number)

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

**30 CORPORATE DRIVE, SUITE 200  
BURLINGTON, MASSACHUSETTS 01803-4238**  
(Address of principal executive offices) (Zip Code)

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

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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))

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

By press release dated April 28, 2015, the Company announced its financial results for the three months ended April 5, 2015. The full text of the press release is attached as Exhibit 99.1 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 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.

In the press release and accompanying supplemental information, the Company uses the following non-GAAP financial measures: free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted earnings per share (EPS), and proforma revenue, and proforma adjusted EPS. Management of the Company believes that free cash flow (defined as net cash flow from operating activities, less capital expenditures) 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. EBIT (defined as net income plus interest expense, net, plus provision for income taxes), EBITDA (defined as net income plus interest expense, net, plus provision for income taxes, plus depreciation and amortization), adjusted operating income (defined as operating income, excluding the impact of restructuring related inventory, impairment and special charges/gains), adjusted net income (defined as net income, excluding the impact of restructuring related inventory, impairment and special charges/gains, net of tax), adjusted EPS (defined as earnings per common share, excluding restructuring related inventory, impairment and special charges/gains, net of tax), proforma revenue, proforma adjusted EPS (defined as revenue and adjusted EPS excluding 2 divested businesses and foreign subsidiary amounts converted at current exchange rates) are provided because management believes these measurements are useful for investors and financial institutions to analyze and compare companies on the basis of operating performance. Management believes proforma non-GAAP measures are important for investors to consider when evaluating the outlook of future Company performance. Free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted EPS, proforma revenue, and proforma EPS are not measurements for financial performance under GAAP and should not be construed as a substitute for cash flows, operating income, net income or earnings per share. Free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted EPS, and proforma revenue and proforma EPS as we have calculated here, may not necessarily be comparable to similarly titled measures used by other companies. A reconciliation of free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, proforma revenue, proforma EPS, and adjusted EPS 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.*

| <u>Exhibit No.</u> | <u>Description</u>                                     |
|--------------------|--|
| 99.1               | Press Release regarding Earnings, Dated April 28, 2015 |
| 99.2               | First Quarter 2015 Investor Review Presentation        |

## 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: April 28, 2015

**CIRCOR INTERNATIONAL, INC.**

/s/ Rajeev Bhalla

By: Rajeev Bhalla

Title: Executive Vice President and Chief Financial Officer

## CIRCOR Reports First-Quarter 2015 Financial Results

**Burlington, MA - April 28, 2015** - CIRCOR International, Inc. (NYSE: CIR), a leading provider of valves and other highly engineered products for markets including oil & gas, power generation and aerospace & defense, today announced financial results for the first quarter ended April 5, 2015.

### First-Quarter 2015 Highlights

- *Orders of \$182 million with solid bookings for large international projects*
- *Q1 revenue of \$165.9 million and adjusted EPS of \$0.60*
- *Repurchased 302,000 shares of common stock for \$16.7 million*
- *Restructuring actions remain on track; announcing additional restructuring program*
- *Announced acquisition of Schroedahl*

“Our first-quarter revenues were in line with expectations overall at \$166 million with adjusted EPS of \$0.60 despite significant headwind from currencies,” said [Scott Buckhout](#), President and Chief Executive Officer. “In our Energy segment, strong orders in our long-cycle large international projects business offset weaker orders in our short-cycle distributed valves business. Aerospace & Defense orders came in as expected. After adjusting for divestitures and currency, organic orders grew 9%.”

On April 16, the Company announced the acquisition of Germany-based Schroedahl, a manufacturer of automatic recirculation safety valves, primarily for the higher-growth power generation market in Asia. This acquisition is expected to be accretive to earnings per share in the first year. Additional details on the transaction will be provided during the conference call later today.

“We remain focused on enhancing shareholder value. During the quarter, we repurchased more than 302,000 shares under our previously announced share repurchase program. Our growth initiatives and restructuring actions remain on track. In addition, we are announcing another restructuring program expected to deliver \$5.0 million of annualized savings. Going forward, we will continue to drive cost reduction, expand margins and focus on what we can control as we manage through this cycle,” concluded Buckhout.

### Second-Quarter 2015 Guidance

For the second quarter of 2015, the Company will provide its guidance during the conference call later today.

## Selected Consolidated Results

| <i>(In millions, except percentages and bps)</i>   | Q1 2015   | Q1 2014 <sup>2</sup> | Change   |
|--|-----------|----------------------|----------|
| Revenue  | \$ 165.9  | \$ 211.2             | (21)%    |
| Adjusted Operating Income <sup>1</sup>             | \$ 14.6   | \$ 19.8              | (26)%    |
| Adjusted Operating Margin <sup>1</sup>             | 8.8%      | 9.4%                 | (60) bps |
| GAAP Earnings Per Share (Diluted)                  | \$ 0.54   | \$ 0.82              | (34)%    |
| Adjusted Earnings Per Share (Diluted) <sup>1</sup> | \$ 0.60   | \$ 0.78              | (23)%    |
| Free Cash Flow                                     | \$ (18.4) | \$ 14.4              | NM       |
| Orders   | \$ 182.3  | \$ 199.9             | (9)%     |

## Segment Results

| <i>(In millions, except percentages and bps)</i> | Q1 2015  | Q1 2014 <sup>2</sup> | Change    |
|--|----------|----------------------|-----------|
| <b>Energy</b>                                    |          |                      |           |
| Revenue  | \$ 127.6 | \$ 162.6             | (22)%     |
| Adjusted Operating Margin <sup>1</sup>           | 13.8%    | 13.8%                | 0 bps     |
| Orders   | \$ 143.1 | \$ 159.5             | (10)%     |
| <b>Aerospace &amp; Defense</b>                   |          |                      |           |
| Revenue  | \$ 38.3  | \$ 48.6              | (21)%     |
| Adjusted Operating Margin <sup>1</sup>           | 8.0%     | 9.1%                 | (110) bps |
| Orders   | \$ 39.2  | \$ 40.4              | (3)%      |

1. Consolidated and Segment Results exclude special charges of \$1.5 million during Q1 2015 and special recoveries of \$1.2 million during Q1 2014.
2. Q1 2014 Amounts have NOT been adjusted for divestitures or foreign currency impacts.

## Conference Call Information

CIRCOR International will hold a conference call to review its financial results today, April 28, 2015, 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 net income, adjusted earnings per diluted share, adjusted operating margin, and free cash flow are non-GAAP financial measures and are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company’s performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in this news release.

## 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 future performance, including the performance of the Schroedahl acquisition and 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. 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. 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 highly engineered products and sub-systems for markets including oil & gas, power generation and aerospace & defense. CIRCOR has a diversified product portfolio with recognized, market-leading brands that fulfill its customers' unique application 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 industry talent. For more information, visit the Company's investor relations web site 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 INCOME**  
*(in thousands, except per share data)*  
**UNAUDITED**

|   | Three Months Ended |                  |
|---|--------------------|------------------|
|   | April 5, 2015      | March 30, 2014   |
| Net revenues  | \$ 165,860         | \$ 211,186       |
| Cost of revenues                                      | 113,211            | 146,548          |
| <b>GROSS PROFIT</b>                                   | <b>52,649</b>      | <b>64,638</b>    |
| Selling, general and administrative expenses          | 38,088             | 44,888           |
| Special charges (recoveries), net                     | 1,511              | (1,157)          |
| <b>OPERATING INCOME</b>                               | <b>13,050</b>      | <b>20,907</b>    |
| Other expense (income):                               |                    |                  |
| Interest expense, net                                 | 640                | 918              |
| Other (income), net                                   | (506)              | (468)            |
| <b>TOTAL OTHER EXPENSE, NET</b>                       | <b>134</b>         | <b>450</b>       |
| <b>INCOME BEFORE INCOME TAXES</b>                     | <b>12,916</b>      | <b>20,457</b>    |
| Provision for income taxes                            | 3,284              | 5,825            |
| <b>NET INCOME</b>                                     | <b>\$ 9,632</b>    | <b>\$ 14,632</b> |
| Earnings per common share:                            |                    |                  |
| Basic   | \$ 0.55            | \$ 0.83          |
| Diluted   | \$ 0.54            | \$ 0.82          |
| Weighted average number of common shares outstanding: |                    |                  |
| Basic   | 17,662             | 17,620           |
| Diluted   | 17,712             | 17,741           |
| Dividends paid per common share                       | \$ 0.0375          | \$ 0.0375        |

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

|   | <b>Three Months Ended</b> |                       |
|---|---------------------------|-----------------------|
|   | <b>April 5, 2015</b>      | <b>March 30, 2014</b> |
| <b>OPERATING ACTIVITIES</b>   |                           |                       |
| Net income  | \$ 9,632                  | \$ 14,632             |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: |                           |                       |
| Depreciation  | 3,521                     | 4,069                 |
| Amortization  | 710                       | 786                   |
| Compensation expense of share-based plans   | 2,222                     | 1,830                 |
| Tax effect of share-based plan compensation   | (289)                     | (571)                 |
| Loss on sale of property, plant and equipment   | 46                        | 34                    |
| (Gain) on sale of business  | (972)                     | —                     |
| Changes in operating assets and liabilities:  |                           |                       |
| Trade accounts receivable, net  | 7,480                     | (9,952)               |
| Inventories   | (18,697)                  | 234                   |
| Prepaid expenses and other assets   | (4,787)                   | (859)                 |
| Accounts payable, accrued expenses and other liabilities                                    | (15,298)                  | 6,854                 |
| Net cash (used in) provided by operating activities   | <u>(16,432)</u>           | <u>17,057</u>         |
| <b>INVESTING ACTIVITIES</b>   |                           |                       |
| Additions to property, plant and equipment  | (1,983)                   | (2,670)               |
| Proceeds from the sale of property, plant and equipment                                     | —                         | 13                    |
| Proceeds from the sale of affiliate   | 2,759                     | —                     |
| Net cash provided by (used in) investing activities   | <u>776</u>                | <u>(2,657)</u>        |
| <b>FINANCING ACTIVITIES</b>   |                           |                       |
| Proceeds from long-term debt  | 46,903                    | 48,029                |
| Payments of long-term debt  | (21,540)                  | (41,781)              |
| Dividends paid  | (672)                     | (670)                 |
| Proceeds from the exercise of stock options   | 38                        | 192                   |
| Tax effect of share-based plan compensation   | 289                       | 571                   |
| Purchases of common stock   | (16,682)                  | —                     |
| Net cash provided by financing activities   | <u>8,336</u>              | <u>6,341</u>          |
| Effect of exchange rate changes on cash and cash equivalents                                | <u>(10,083)</u>           | <u>(824)</u>          |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS  | <u>(17,403)</u>           | <u>19,917</u>         |
| Cash and cash equivalents at beginning of year  | <u>121,286</u>            | <u>102,180</u>        |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD  | <u>\$ 103,883</u>         | <u>\$ 122,097</u>     |
| Cash paid during the year for:  |                           |                       |
| Income taxes  | \$ 2,216                  | \$ 2,913              |
| Interest  | \$ 394                    | \$ 472                |

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

|  | <u>April 5, 2015</u> | <u>December 31, 2014</u> |
|--|----------------------|--------------------------|
| ASSETS   | <u>(unaudited)</u>   |                          |
| <b>CURRENT ASSETS:</b>   |                      |                          |
| Cash and cash equivalents  | \$ 103,883           | \$ 121,286               |
| Short-term investments   | 80                   | 86                       |
| Trade accounts receivable, less allowance for doubtful accounts of \$9,122 and \$9,536, respectively | 140,752              | 156,738                  |
| Inventories  | 194,624              | 183,434                  |
| Prepaid expenses and other current assets  | 21,731               | 21,626                   |
| Deferred income tax asset  | 22,184               | 22,861                   |
| Total Current Assets   | <u>483,254</u>       | <u>506,031</u>           |
| <b>PROPERTY, PLANT AND EQUIPMENT, NET</b>  | <u>90,045</u>        | <u>96,212</u>            |
| <b>OTHER ASSETS:</b>   |                      |                          |
| Goodwill   | 69,832               | 72,430                   |
| Intangibles, net   | 24,797               | 26,887                   |
| Deferred income tax asset  | 17,206               | 19,048                   |
| Other assets   | 3,557                | 4,114                    |
| <b>TOTAL ASSETS</b>  | <u>\$ 688,691</u>    | <u>\$ 724,722</u>        |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                      |                          |
| <b>CURRENT LIABILITIES:</b>  |                      |                          |
| Accounts payable   | \$ 77,893            | \$ 87,112                |
| Accrued expenses and other current liabilities   | 53,443               | 65,223                   |
| Accrued compensation and benefits  | 18,166               | 24,728                   |
| Notes payable and current portion of long-term debt  | 8,481                | 8,423                    |
| Total Current Liabilities  | <u>157,983</u>       | <u>185,486</u>           |
| <b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>  | <u>29,065</u>        | <u>5,261</u>             |
| <b>DEFERRED INCOME TAXES</b>   | <u>7,107</u>         | <u>7,771</u>             |
| <b>OTHER NON-CURRENT LIABILITIES</b>   | <u>31,433</u>        | <u>32,111</u>            |
| <b>SHAREHOLDERS' EQUITY:</b>   |                      |                          |
| Common stock   | 177                  | 177                      |
| Additional paid-in capital   | 279,405              | 277,227                  |
| Retained earnings  | 259,599              | 250,635                  |
| Treasury stock   | (16,682)             | —                        |
| Accumulated other comprehensive loss, net of taxes   | (59,396)             | (33,946)                 |
| Total Shareholders' Equity   | <u>463,103</u>       | <u>494,093</u>           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  | <u>\$ 688,691</u>    | <u>\$ 724,722</u>        |

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

|                         | Three Months Ended |                   |
|-------------------------|--------------------|-------------------|
|                         | April 5,<br>2015   | March 30,<br>2014 |
| <b>ORDERS (1)(5)</b>    |                    |                   |
| Energy                  | \$ 143.1           | \$ 147.3          |
| Aerospace & Defense     | 39.2               | 37.2              |
| Total orders            | <u>\$ 182.3</u>    | <u>\$ 184.5</u>   |
| <b>BACKLOG (2)(5)</b>   |                    |                   |
| Energy (3)              | \$ 247.6           | \$ 265.5          |
| Aerospace & Defense (4) | 104.1              | 163.1             |
| Total backlog           | <u>\$ 351.8</u>    | <u>\$ 428.6</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.

Note 2: Backlog includes unshipped customer orders.

Note 3: Energy backlog was reduced during the fourth quarter of 2014 by \$5.5 million related to customer order cancellations initially recorded in prior years.

Note 4: Aerospace & Defense reduced backlog in the second quarter of 2014 by \$28.6 million associated with the exit of certain landing gear product lines.

Note 5: Three months ended March 30, 2014 orders and backlog amounts exclude business divestitures in both the Energy and Aerospace & Defense segments.

**CIRCOR INTERNATIONAL, INC.**  
**SUMMARY REPORT BY SEGMENT**  
*(in thousands, except percentages)*  
**UNAUDITED**

|  | 2014       |            |            |            |            | 2015       |
|--|------------|------------|------------|------------|------------|------------|
|  | 1ST QTR    | 2ND QTR    | 3RD QTR    | 4TH QTR    | TOTAL      | 1ST QTR    |
| <b>NET REVENUES</b>                      |            |            |            |            |            |            |
| Energy                                   | \$ 162,587 | \$ 160,580 | \$ 157,658 | \$ 172,432 | \$ 653,257 | \$ 127,586 |
| Aerospace & Defense                      | 48,599     | 47,304     | 46,160     | 46,126     | 188,189    | 38,274     |
| Total                                    | \$ 211,186 | \$ 207,884 | \$ 203,818 | \$ 218,558 | \$ 841,446 | \$ 165,860 |
| <b>ADJUSTED OPERATING MARGIN</b>         |            |            |            |            |            |            |
| Energy                                   | 13.8 %     | 14.6 %     | 16.9 %     | 14.3 %     | 14.9 %     | 13.8 %     |
| Aerospace & Defense                      | 9.1 %      | 7.1 %      | 5.0 %      | 5.3 %      | 6.6 %      | 8.0 %      |
| Segment operating margin                 | 12.7 %     | 12.9 %     | 14.2 %     | 12.4 %     | 13.0 %     | 12.4 %     |
| Corporate expenses                       | (3.4)%     | (2.2)%     | (2.8)%     | (2.7)%     | (2.8)%     | (3.6)%     |
| Adjusted operating margin                | 9.4 %      | 10.7 %     | 11.4 %     | 9.6 %      | 10.2 %     | 8.8 %      |
| Restructuring inventory charges          | — %        | 2.5 %      | 1.4 %      | — %        | 0.9 %      | — %        |
| Impairment charges                       | — %        | — %        | — %        | 0.3 %      | 0.1 %      | — %        |
| Special restructuring charges            | 0.4 %      | 0.6 %      | 0.2 %      | 1.2 %      | 0.6 %      | 0.9 %      |
| Special other charges, net of recoveries | (0.9)%     | — %        | — %        | 4.3 %      | 0.9 %      | — %        |
| Total GAAP operating margin              | 9.9 %      | 7.6 %      | 9.7 %      | 3.7 %      | 7.7 %      | 7.9 %      |

**CIRCOR INTERNATIONAL, INC.**  
**SUMMARY REPORT BY SEGMENT**  
*(in thousands, except earnings per share and percentages)*  
**UNAUDITED**

|  | 2014             |                  |                  |                  |                   | 2015             |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|
|  | 1ST QTR          | 2ND QTR          | 3RD QTR          | 4TH QTR          | TOTAL             | 1ST QTR          |
| <b>ADJUSTED OPERATING INCOME</b>                     |                  |                  |                  |                  |                   |                  |
| Energy   | \$ 22,462        | \$ 23,502        | \$ 26,577        | \$ 24,575        | \$ 97,117         | \$ 17,550        |
| Aerospace & Defense                                  | 4,426            | 3,362            | 2,295            | 2,425            | 12,508            | 3,045            |
| Segment operating income                             | 26,888           | 26,864           | 28,872           | 27,000           | 109,625           | 20,595           |
| Corporate expenses                                   | (7,137)          | (4,634)          | (5,678)          | (5,965)          | (23,415)          | (6,034)          |
| Adjusted operating income                            | 19,750           | 22,231           | 23,194           | 21,035           | 86,210            | 14,561           |
| Restructuring inventory charges                      | —                | 5,139            | 2,850            | —                | 7,989             | —                |
| Impairment charges                                   | —                | —                | —                | 726              | 726               | —                |
| Special restructuring charges                        | 786              | 1,257            | 478              | 2,725            | 5,246             | 1,512            |
| Special other charges, net of recoveries             | (1,943)          | —                | —                | 9,434            | 7,491             | (1)              |
| Total GAAP operating income                          | 20,907           | 15,835           | 19,866           | 8,150            | 64,757            | 13,050           |
| INTEREST EXPENSE, NET                                | (918)            | (891)            | (436)            | (407)            | (2,652)           | (640)            |
| OTHER INCOME (EXPENSE), NET                          | 468              | 384              | (419)            | 722              | 1,156             | 506              |
| PRETAX INCOME  | 20,457           | 15,328           | 19,012           | 8,465            | 63,261            | 12,916           |
| (PROVISION) FOR BENEFIT FROM INCOME TAXES            | (5,825)          | (3,402)          | (4,337)          | 690              | (12,875)          | (3,284)          |
| EFFECTIVE TAX RATE                                   | 28.5 %           | 22.2 %           | 22.8 %           | (8.2)%           | 20.4 %            | 25.4 %           |
| <b>NET INCOME</b>                                    | <b>\$ 14,632</b> | <b>\$ 11,926</b> | <b>\$ 14,675</b> | <b>\$ 9,155</b>  | <b>\$ 50,386</b>  | <b>\$ 9,632</b>  |
| Weighted Average Common Shares Outstanding (Diluted) | 17,741           | 17,767           | 17,779           | 17,782           | 17,768            | 17,712           |
| <b>EARNINGS PER COMMON SHARE (Diluted)</b>           | <b>\$ 0.82</b>   | <b>\$ 0.67</b>   | <b>\$ 0.83</b>   | <b>\$ 0.51</b>   | <b>\$ 2.84</b>    | <b>\$ 0.54</b>   |
| <b>ADJUSTED EBITDA</b>                               | <b>\$ 25,073</b> | <b>\$ 27,536</b> | <b>\$ 27,530</b> | <b>\$ 26,789</b> | <b>\$ 106,927</b> | <b>\$ 19,298</b> |
| <b>ADJUSTED EBITDA AS A % OF SALES</b>               | <b>11.9 %</b>    | <b>13.2 %</b>    | <b>13.5 %</b>    | <b>12.3 %</b>    | <b>12.7 %</b>     | <b>11.6 %</b>    |
| <b>CAPITAL EXPENDITURES</b>                          | <b>\$ 2,670</b>  | <b>\$ 2,933</b>  | <b>\$ 3,297</b>  | <b>\$ 3,910</b>  | <b>\$ 12,810</b>  | <b>\$ 1,983</b>  |

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS**

*(in thousands, except percentages)*

**UNAUDITED**

|  | 2014               |                    |                    |                     |                     | 2015               |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
|  | 1ST QTR            | 2ND QTR            | 3RD QTR            | 4TH QTR             | TOTAL               | 1ST QTR            |
| <b>FREE CASH FLOW AS % OF NET INCOME</b>                   | <b>98%</b>         | <b>62%</b>         | <b>96%</b>         | <b>243%</b>         | <b>115%</b>         | <b>(191)%</b>      |
| <b>FREE CASH FLOW</b>                                      | <b>\$ 14,387</b>   | <b>\$ 7,365</b>    | <b>\$ 14,015</b>   | <b>\$ 22,249</b>    | <b>\$ 58,016</b>    | <b>\$ (18,415)</b> |
| ADD:   |                    |                    |                    |                     |                     |                    |
| Capital Expenditures                                       | 2,670              | 2,933              | 3,297              | 3,910               | 12,810              | 1,983              |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b> | <b>\$ 17,057</b>   | <b>\$ 10,298</b>   | <b>\$ 17,312</b>   | <b>\$ 26,159</b>    | <b>\$ 70,826</b>    | <b>\$ (16,432)</b> |
| <b>NET DEBT (CASH)</b>                                     | <b>\$ (66,056)</b> | <b>\$ (72,982)</b> | <b>\$ (80,829)</b> | <b>\$ (107,688)</b> | <b>\$ (107,688)</b> | <b>\$ (66,417)</b> |
| ADD:   |                    |                    |                    |                     |                     |                    |
| Cash & Cash Equivalents                                    | 122,097            | 116,326            | 114,580            | 121,286             | 121,286             | 103,883            |
| Investments  | 92                 | 95                 | 91                 | 86                  | 86                  | 80                 |
| <b>TOTAL DEBT</b>  | <b>\$ 56,133</b>   | <b>\$ 43,439</b>   | <b>\$ 33,842</b>   | <b>\$ 13,684</b>    | <b>\$ 13,684</b>    | <b>\$ 37,546</b>   |
| <b>DEBT AS % OF EQUITY</b>                                 | <b>11%</b>         | <b>9%</b>          | <b>7%</b>          | <b>3%</b>           | <b>3%</b>           | <b>8%</b>          |
| <b>TOTAL DEBT</b>  | <b>56,133</b>      | <b>43,439</b>      | <b>33,842</b>      | <b>13,684</b>       | <b>13,684</b>       | <b>37,546</b>      |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                          | <b>\$ 492,601</b>  | <b>\$ 507,363</b>  | <b>\$ 508,035</b>  | <b>\$ 494,093</b>   | <b>\$ 494,093</b>   | <b>\$ 463,103</b>  |

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

|  | 2014             |                  |                  |                  |                  | 2015             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 1ST QTR          | 2ND QTR          | 3RD QTR          | 4TH QTR          | TOTAL            | 1ST QTR          |
| <b>ADJUSTED OPERATING INCOME</b>                     | <b>\$ 19,750</b> | <b>\$ 22,230</b> | <b>\$ 23,194</b> | <b>\$ 21,035</b> | <b>\$ 86,210</b> | <b>\$ 14,561</b> |
| LESS:  |                  |                  |                  |                  |                  |                  |
| Inventory restructuring charges                      | —                | 5,139            | 2,850            | —                | 7,989            | —                |
| Impairment charges                                   | —                | —                | —                | 726              | 726              | —                |
| Special restructuring charges                        | 786              | 1,257            | 478              | 2,725            | 5,246            | 1,512            |
| Special other charges, net of recoveries             | (1,943)          | —                | —                | 9,434            | 7,491            | (1)              |
| OPERATING INCOME                                     | \$ 20,907        | \$ 15,834        | \$ 19,866        | \$ 8,150         | \$ 64,757        | \$ 13,050        |
| <b>ADJUSTED NET INCOME</b>                           | <b>\$ 13,916</b> | <b>\$ 16,090</b> | <b>\$ 16,827</b> | <b>\$ 19,188</b> | <b>\$ 66,019</b> | <b>\$ 10,564</b> |
| LESS:  |                  |                  |                  |                  |                  |                  |
| Inventory restructuring charges, net of tax          | —                | 3,316            | 1,839            | —                | 5,155            | —                |
| Impairment charges, net of tax                       | —                | —                | —                | 726              | 726              | —                |
| Special restructuring charges, net of tax            | 508              | 848              | 313              | 1,763            | 3,432            | 1,079            |
| Special other charges, net of recoveries, net of tax | (1,224)          | —                | —                | 7,544            | 6,320            | (147)            |
| NET INCOME   | \$ 14,632        | \$ 11,926        | \$ 14,675        | \$ 9,155         | \$ 50,386        | \$ 9,632         |
| <b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>         | <b>\$ 0.78</b>   | <b>\$ 0.91</b>   | <b>\$ 0.95</b>   | <b>\$ 1.08</b>   | <b>\$ 3.72</b>   | <b>\$ 0.60</b>   |
| LESS:  |                  |                  |                  |                  |                  |                  |
| Inventory restructuring charges, net of tax          | —                | 0.19             | 0.10             | —                | 0.29             | —                |
| Impairment charges, net of tax                       | —                | —                | —                | 0.04             | 0.04             | —                |
| Special restructuring charges, net of tax            | 0.03             | 0.05             | 0.02             | 0.10             | 0.20             | 0.06             |
| Special other charges, net of recoveries, net of tax | (0.07)           | —                | —                | 0.42             | 0.35             | —                |
| EARNINGS PER COMMON SHARE (Diluted)                  | \$ 0.82          | \$ 0.67          | \$ 0.83          | \$ 0.51          | \$ 2.84          | \$ 0.54          |

**CIRCOR INTERNATIONAL, INC.**  
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**TERMS**  
*(in thousands)*  
**UNAUDITED**

|   | 2014             |                  |                  |                  |                   | 2015             |
|---|------------------|------------------|------------------|------------------|-------------------|------------------|
|   | 1ST QTR          | 2ND QTR          | 3RD QTR          | 4TH QTR          | TOTAL             | 1ST QTR          |
| <b>EBITDA</b>                             | <b>\$ 26,230</b> | <b>\$ 21,140</b> | <b>\$ 24,202</b> | <b>\$ 13,904</b> | <b>\$ 85,475</b>  | <b>\$ 17,787</b> |
| LESS:                                     |                  |                  |                  |                  |                   |                  |
| Interest expense, net                     | (918)            | (891)            | (436)            | (407)            | (2,652)           | (640)            |
| Depreciation                              | (4,069)          | (4,116)          | (3,978)          | (4,283)          | (16,446)          | (3,521)          |
| Amortization                              | (786)            | (805)            | (776)            | (749)            | (3,116)           | (710)            |
| (Provision) for benefit from income taxes | (5,825)          | (3,402)          | (4,337)          | 690              | (12,875)          | (3,284)          |
| NET INCOME                                | <u>\$ 14,632</u> | <u>\$ 11,926</u> | <u>\$ 14,675</u> | <u>\$ 9,155</u>  | <u>\$ 50,386</u>  | <u>\$ 9,632</u>  |
| <b>ADJUSTED EBITDA</b>                    | <b>\$ 25,073</b> | <b>\$ 27,536</b> | <b>\$ 27,530</b> | <b>\$ 26,789</b> | <b>\$ 106,927</b> | <b>\$ 19,298</b> |
| LESS:                                     |                  |                  |                  |                  |                   |                  |
| Inventory restructuring charges           | —                | (5,139)          | (2,850)          | —                | (7,989)           | —                |
| Impairment charges                        | —                | —                | —                | (726)            | (726)             | —                |
| Special restructuring charges             | (786)            | (1,257)          | (478)            | (2,725)          | (5,246)           | (1,512)          |
| Special other charges, net of recoveries  | 1,943            | —                | —                | (9,434)          | (7,491)           | 1                |
| Interest expense, net                     | (918)            | (891)            | (436)            | (407)            | (2,652)           | (640)            |
| Depreciation                              | (4,069)          | (4,116)          | (3,978)          | (4,283)          | (16,446)          | (3,521)          |
| Amortization                              | (786)            | (805)            | (776)            | (749)            | (3,116)           | (710)            |
| (Provision) for benefit from income taxes | (5,825)          | (3,402)          | (4,337)          | 690              | (12,875)          | (3,284)          |
| NET INCOME                                | <u>\$ 14,632</u> | <u>\$ 11,926</u> | <u>\$ 14,675</u> | <u>\$ 9,155</u>  | <u>\$ 50,386</u>  | <u>\$ 9,632</u>  |

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

|   | 2014              |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 1ST QTR           | 2ND QTR           | 3RD QTR           | 4TH QTR           | TOTAL             |
| <b>NET REVENUES EXCLUDING DIVESTITURES</b>                                    | <b>\$ 198,204</b> | <b>\$ 194,349</b> | <b>\$ 189,705</b> | <b>\$ 207,970</b> | <b>\$ 790,228</b> |
| ADD:  |                   |                   |                   |                   |                   |
| Energy divestiture  | 10,554            | 10,037            | 10,667            | 8,465             | 39,723            |
| Aerospace & Defense divestiture   | 2,428             | 3,498             | 3,446             | 2,123             | 11,495            |
| <b>NET REVENUES</b>   | <b>\$ 211,186</b> | <b>\$ 207,884</b> | <b>\$ 203,818</b> | <b>\$ 218,558</b> | <b>\$ 841,446</b> |
| <b>ADJUSTED EARNINGS PER SHARE EXCLUDING DIVESTITURES</b><br><b>(Diluted)</b> | <b>0.79</b>       | <b>0.88</b>       | <b>0.89</b>       | <b>1.05</b>       | <b>3.61</b>       |
| ADD:  |                   |                   |                   |                   |                   |
| Divestitures  | (0.01)            | 0.03              | 0.06              | 0.03              | 0.11              |
| <b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>                                  | <b>\$ 0.78</b>    | <b>\$ 0.91</b>    | <b>\$ 0.95</b>    | <b>\$ 1.08</b>    | <b>\$ 3.72</b>    |



Energy | Aerospace & Defense

## First Quarter 2015 Investor Review

Presented April 28, 2015

## Safe Harbor

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. 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 performance of the [Schroedahl](#) acquisition, the realization of cost reduction due to restructuring activity and achievement of management's guidance. 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.

The use of EBITDA, or earnings before interest, taxes, depreciation and amortization, is a non-GAAP financial measure. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company's performance.

*Within this presentation the Company uses non-GAAP financial measures, including adjusted net income, adjusted earnings per diluted share, adjusted operating income, adjusted operating margin, net debt, free cash flow, adjusted Q2 2014 revenue and earnings per diluted share and Q1 2014 pro forma revenue and adjusted earnings per diluted share. These measures are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company's performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's first-quarter 2015 news release available on its website at [www.circor.com](http://www.circor.com).*

Q1 2015 Investor  
Review



## Q1 2015 Financial Highlights

|                                     | Organic<br>YOY Change | Reported<br>YOY Change |
|-------------------------------------|-----------------------|------------------------|
| • Orders of \$182.3 million         | +9%                   | (9%)                   |
| • Revenues of \$165.9 million       | (10%)                 | (21%)                  |
| • Adjusted Operating Margin of 8.8% | -100 bps              | -60 bps                |
| • Adjusted EPS of \$0.60            | -12 cents             | -18 cents              |

*Notes:*

1) Reported year-over-year change is not adjusted for divestitures or currency impact. Organic year-over-year change adjusts prior year amounts for divestitures and currency impact.

2) AOI Margin and Adjusted EPS exclude \$1.5 million of special charges, net of recoveries during Q1 2015 and (\$1.2) million of net special (recoveries) and charges during Q1 2014.

Q1 2015 Investor  
Review



## Schroedahl Acquisition

- Germany-based, privately held manufacturer of safety and control valves primarily for the power generation market
- Q2 Guidance – Revenue of \$6 million and adjusted EPS of \$0.08
- Transaction provides for:
  - Earnings accretion with strong, sustainable margins
  - Greater penetration of the high-growth power generation market
  - Increased presence in high-growth Asia
  - Differentiated technology
  - Leading market position in a niche market with high barriers to entry
  - Opportunity to leverage CIRCOR's global sales and operations footprint



ARC Valve  
(Automatic Re-Circulation  
Valve)

# Energy Segment Highlights

(\$ millions)

|                           | Q1 2015 | Q1 2014 PF | YOY Change |
|---------------------------|---------|------------|------------|
| Revenues                  | 127.6   | 152.0      | (16%)      |
| Adjusted operating margin | 13.8%   | 14.9%      | -110 bps   |

- **Revenues decreased 16%**
  - Negative FX impact of ~\$10 million (7 points)
  - Lower short-cycle distributed valve sales
  - Higher large international project revenue
- **Adjusted operating margin decreased 110 bps**
  - Lower volume
  - Higher productivity and restructuring savings

Q1 2015 Investor  
Review

Note: Q1 2014 PF and YOY change exclude divestitures. AOI Margin excludes special and restructuring charges/(recoveries).



# Aerospace & Defense Segment Highlights

(\$ millions)

|                           | Q1 2015 | Q1 2014 PF | YOY Change |
|---------------------------|---------|------------|------------|
| Revenues                  | 38.3    | 46.2       | (17%)      |
| Adjusted operating margin | 8.0%    | 9.5%       | -150 bps   |

- **Revenues decreased 17%**
  - Lower structural landing gear sales
  - Lower UK Navy programs
  - Negative FX impact of ~\$3 million (6 points)
- **Adjusted operating margin decreased 150 bps**
  - Unfavorable product mix
  - Structural landing gear product line exit
  - Higher productivity and restructuring savings

Q1 2015 Investor  
Review

Note: Q1 2014 PF and YOY change exclude divestitures. AOI Margin excludes special and restructuring charges/(recoveries).



# Q1 P&L Highlights

(\$ millions except per share data)

|  | Q1 2015     | Q1 2014 PF  |
|--|-------------|-------------|
| Segments' adjusted operating income <sup>1</sup> | 20.6        | 26.9        |
| Special charges (recoveries), net                | 1.5         | (1.2)       |
| Corporate expenses <sup>1</sup>                  | 6.0         | 7.1         |
| <b>Operating Income</b>                          | <b>13.1</b> | <b>20.9</b> |
| Net interest (expense)                           | (0.6)       | (0.9)       |
| Other income                                     | 0.5         | 0.5         |
| Provision for income taxes                       | (3.3)       | (5.8)       |
| <b>Net Income</b>                                | <b>9.6</b>  | <b>14.6</b> |
| GAAP Tax Rate                                    | 25.4%       | 28.5%       |
| Average diluted shares ('000)                    | 17,712      | 17,741      |
| US GAAP EPS                                      | 0.54        | 0.82        |
| <b>Adjusted EPS<sup>2</sup></b>                  | <b>0.60</b> | <b>0.79</b> |

<sup>1</sup>Excludes special and restructuring charges/(recoveries)

<sup>2</sup>Excludes special and restructuring charges/(recoveries), net of tax

Note: Q1 2014 PF excludes divestitures.

Q1 2015 Investor  
Review



## Cash Flow and Debt Highlights

(\$ millions)

|   | <u>Q1 2015</u>      | <u>Q1 2014</u>       |
|---|---------------------|----------------------|
| Cash Flow from Operations               | (16.4)              | 17.1                 |
| Capital Expenditures                    | <u>(2.0)</u>        | <u>(2.7)</u>         |
| Free Cash Flow                          | <u>(18.4)</u>       | <u>14.4</u>          |
|   | <u>Apr. 5, 2015</u> | <u>Mar. 30, 2014</u> |
| Total Debt                              | 37.5                | 56.1                 |
| Cash, Cash Equivalents & ST Investments | 104.0               | 122.2                |
| Net Debt (Cash)                         | (66.4)              | (66.1)               |
| Debt to Equity                          | 8%                  | 11%                  |

Repurchased 301,647 shares at a value of \$16.7 million

Q1 2015 Investor  
Review

*Note: Net Debt is defined as Total Debt less cash, cash equivalents and short term investments.*



# Adjusted Q2 2014

(\$ millions except per share data)

|                            | Revenue      | Adjusted EPS |
|----------------------------|--------------|--------------|
| Q2 2014 Reported           | 207.9        | 0.91         |
| Divestitures <sup>1</sup>  | (13.5)       | (0.03)       |
| FX - Estimate <sup>2</sup> | (15.5)       | (0.09)       |
| Q2 2014 Adjusted           | <u>178.9</u> | <u>0.79</u>  |

Notes:

- 1) Divestitures reflects amounts associated with two business units divested in December 2014 and January 2015
- 2) FX assumes conversion to \$US at the following rates; Euro = \$1.08, GBP = \$1.48

Q1 2015 Investor  
Review



# Restructuring Actions Summary

(\$ millions)

|                                | 2015<br>Savings | Annualized<br>Savings | Status                         |
|--------------------------------|-----------------|-----------------------|--------------------------------|
| Actions Announced in 2013      | 2.0             | 9.0                   | Complete                       |
| Actions Announced in 2014      | 0.0             | 7.0                   | Complete                       |
| Actions Announced in Q1 2015   | 5.0             | 8.0                   | Complete Q2 2015               |
| Actions Announced in Q2 2015   | 3.0             | 5.0                   | Substantially complete Q2 2015 |
| <b>Total</b>                   | <b>10.0</b>     | <b>29.0</b>           |                                |
| <b>Reinvestment for Growth</b> | <b>—</b>        | <b>(7.0)</b>          |                                |
| <b>Net Savings</b>             | <b>10.0</b>     | <b>22.0</b>           |                                |

Q1 2015 Investor  
Review

*Note: \$7 million in savings from actions in 2014 were fully reinvested in growth initiatives.*



## Q2 2015 Guidance as of April 28, 2015

(\$ millions except per share data)

|  | Q2 2015      |              |
|--|--------------|--------------|
|  | Low          | High         |
| <b>Revenue</b>   | <b>\$145</b> | <b>\$160</b> |
| <b>Expected Adjusted Earnings Per Common Share (Diluted)</b> | <b>0.45</b>  | <b>0.55</b>  |
| Less:  |              |              |
| Restructuring related charges, net of tax                    |              |              |
| Special charges, net of tax                                  | 0.14         | 0.13         |
| <b>Expected Earnings Per Common Share (Diluted)</b>          | <b>0.31</b>  | <b>0.42</b>  |

Note: Assumes 28% to 29% tax rate and exchange rates Euro = \$1.08, GBP = \$1.48.

Q1 2015 Investor  
Review



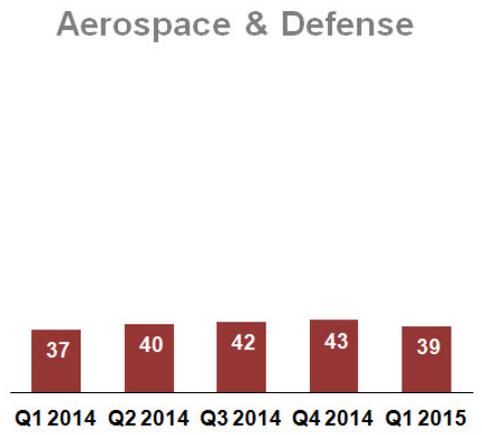
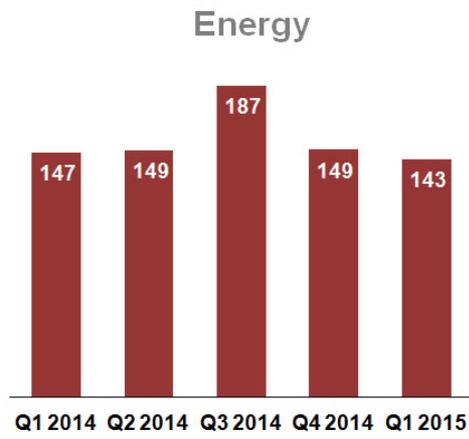
# Appendix

Q1 2015 Investor  
Review



# Order Trends

(\$ millions)



Q1 2015 Investor Review

Note: Excludes divested businesses. Not adjusted for foreign currency impact.

