



Delivering Enhanced Flow Control Solutions

CIRCOR'S ACQUISITION OF COLFAX'S FLUID HANDLING BUSINESS



World leader in engineering, development, manufacturing, distribution, service and support of fluid handling systems

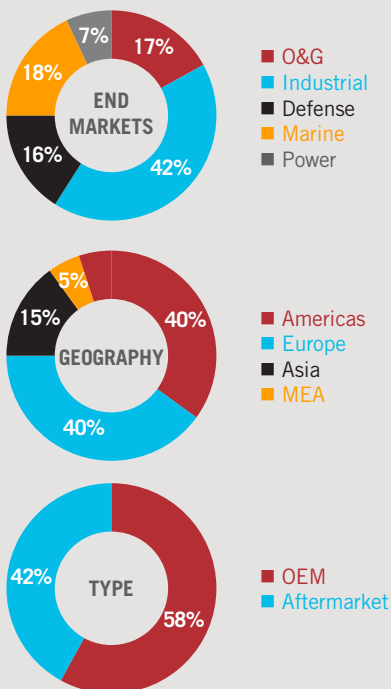
Headquarters:
Monroe, North Carolina

260 distributors in 90 countries, 26 service centers in 10 countries, 11 production facilities in 8 countries

~1,900 employees globally

LTM Financials:⁽¹⁾
Sales: \$463M
EBITDA: \$69M
EBITDA Margin: 15%

CFH Sales Breakdown (\$463M)



Compelling Strategic Benefits



Complementary & Differentiated Portfolio

- ▶ CFH's differentiated product portfolio, recognized brands and large installed base enhance CIRCOR's ability to deliver more comprehensive flow control solutions into existing and new end markets



Diversified End Markets

- ▶ Enhanced position in industrial, defense, and oil & gas and expanded reach into commercial marine



Significant Aftermarket Exposure

- ▶ CFH's extensive installed base and related aftermarket business provide complementary growth and margin expansion



Increased Scale

- ▶ Combination creates global pumps and valves leader with approximately \$1.1 billion in pro forma revenues⁽¹⁾
- ▶ Additional revenue opportunities expected as CIRCOR realizes benefits of cross selling

Robust Financial Drivers



Accretive Impact

- ▶ Expected to be accretive to CIRCOR's cash EPS and adjusted operating margins in the first year following close, with additional margin expansion and long-term EPS growth as synergies are realized



Defined Synergies

- ▶ \$23 million run-rate operating synergies by fourth year following close



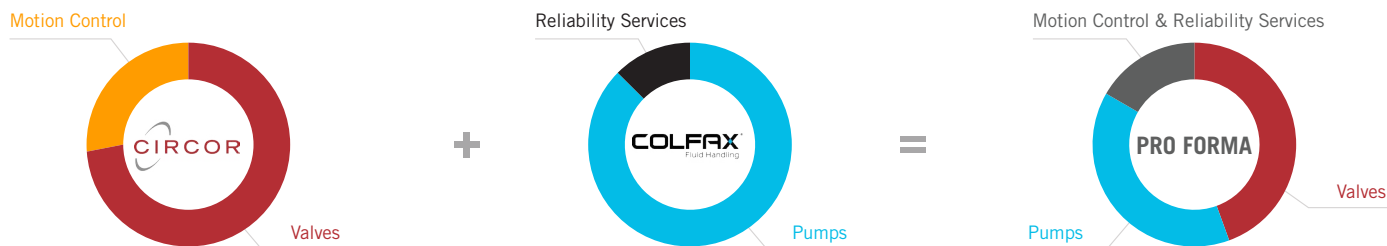
Compelling Valuation & Return Profile

- ▶ 8.3x adjusted EBITDA purchase multiple, including synergies and the value of tax benefits (12.3x excluding synergies and the value of tax benefits);⁽¹⁾ return on invested capital expected to exceed CIRCOR's cost of capital by year four

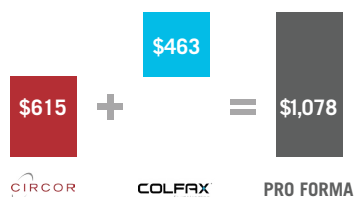
(1) For the trailing twelve months ended June 30, 2017

CIRCOR Pro Forma Snapshot ⁽¹⁾

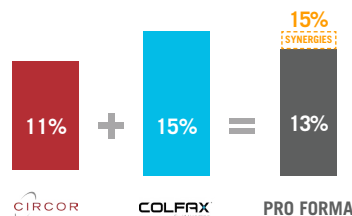
Broader Product Offering



Greater Scale REVENUE \$MM



Margin Expansion ADJ. EBITDA MARGIN



Transaction Details

Transaction Structure

- ▶ Purchase price of **\$855 MILLION** includes:
 - **\$542 MILLION** cash
 - 3.3 million newly-issued CIRCOR shares, valued at **\$163 MILLION**
 - Assumption of **\$150 MILLION** in pension plan liabilities
- ▶ Expected to close by end of 2017

Upon Close

- ▶ Colfax will own **~16%** of CIRCOR
- ▶ CIRCOR expects to have a net debt-to-EBITDA ratio of **5.0x**, which it expects to reduce to **~4.0x** by end of 2018 and to **~3.0x** by end of 2019
- ▶ CFH's portfolio of brands will remain in place
- ▶ Majority of CFH business will operate as separate segment within CIRCOR

Safe Harbor Statement

This fact sheet 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 document 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 CFH, including the effect of the transaction on revenue, cost savings, earnings and operating margin; the expected timing for completing the transaction; and CIRCOR's expected product offerings, market position and market opportunities. 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 CFH 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.

Non-GAAP 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 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 can be found in the transaction presentation, available at www.circor.com.

(1) For the trailing twelve months ended June 30, 2017