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Q3 2015 EARNINGS RELEASE CALL



The information in this presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical information or statements about our current condition. You can identify forward-looking statements by the use of terms such as “believes,” “contemplates,” “expects,” “may,” “could,” “should,” “would,” or “anticipates,” other similar phrases, or the negatives of these terms. We have based the forward-looking statements relating to our operations on our current expectations, estimates and projections about us and the markets we serve. We caution you that these statements are not guarantees of future performance and involve risks and uncertainties. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including those detailed on Page 1 of our Annual Report on Form 10-K for 2014 and in our subsequent disclosures filed with the Securities and Exchange Commission.

Q3 2015 Earnings Summary

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(\$ Millions except per-share amounts)

	Q3 2015	Q3 2014	Change
Sales	\$670	\$727	(8%)
Operating Profit*	\$97	\$108	(10%)
Operating Margin*	14.5%	14.9%	(40 bps)
Earnings per Share*	\$1.03	\$1.12	(8%)
Free Cash Flow**	\$62	\$57	8%

Additional Details

	Q3 2015		Q3 2015
Core Growth	(2.6%)	Diluted EPS: GAAP	\$0.97
Divestitures	(0.3%)	M&A related items	\$0.03
FX Translation	(5.0%)	Repositioning	\$0.03
Total Sales Change	(7.9%)	Diluted EPS: non-GAAP	\$1.03

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

** Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP Financial Measures tables for details.

(\$ Millions)

	Q3 2015	Q3 2014	Change
Sales	\$265	\$314	(16%)
Operating Profit*	\$31	\$49	(37%)
Operating Margin*	11.8%	15.7%	(390 bps)
Backlog	\$279	\$350	(20%)

Q3 2015 Highlights

- Sales and orders remain depressed across most end markets and geographies
- Project delays continue
- Continued pricing pressure on projects, particularly in emerging markets
- Executing on previously announced repositioning actions

	Q3 2015
Core Growth	(8.2%)
FX Translation	(7.6%)
Total Sales Change	(15.8%)

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

(\$ Millions)

	Q3 2015	Q3 2014	Change
Sales	\$171	\$181	(6%)
Operating Profit*	\$27	\$27	+1%
Operating Margin*	16.1%	15.0%	+110 bps

Q3 2015 Highlights

- On-track for \$9+ million of full-year synergy realization.
- Margin expansion driven by volume, synergies, and productivity
- Slower core growth reflects project timing after extremely strong first half of 2015

	Q3 2015
Core Growth	+1.8%
Divestiture	(1.3%)
FX Translation	(6.3%)
Total Sales Change	(5.8%)

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

(\$ Millions)

	Q3 2015	Q3 2014	Change
Sales	\$172	\$167	3%
Operating Profit*	\$37	\$32	14%
Operating Margin*	21.4%	19.2%	220 bps
Backlog	\$460	\$405	14%

Q3 2015 Highlights

	Q3 2015		Q3 2015
OE Sales	3%	Core Growth	3.1%
Aftermarket Sales	2%	FX Translation	(0.4%)
OE / Aftermarket Mix	73% / 27%	Total Sales Change	2.7%

- Aftermarket sales up across both commercial and military markets
- Expect further sequential improvement in 4Q for both core growth and margins
- Large military contract to ramp-up in 4Q and early 2016

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

(\$ Millions)

	Q3 2015	Q3 2014	Change
Sales	\$63	\$65	(3%)
Operating Profit	\$13	\$9	+39%
Operating Margin	19.9%	14.0%	+590 bps

Q3 2015 Highlights

	Q3 2015		Q3 2015
Recreational Vehicle	(9%)	Core Growth	(2.8%)
Building Products	Flat	FX Translation	-
Transportation	+15%	Total Sales Change	(2.8%)

- Margin improvement primarily reflects productivity, along with lower raw material costs, partially offset by lower volume

- Expect sales and margins to moderate further over the course of 2015

Cash Flow, Balance Sheet, and Tax

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		(\$ Millions)	
	Q3 2015	Q3 2014	Better / (Worse)
Cash Provided from Operating Activities	\$70	\$68	2%
Capital Expenditures	(\$8)	(\$12)	30%
Free Cash Flow*	\$62	\$57	8%
Effective (GAAP) Tax Rate	32.3%	27.6%	(470 bps)
Non-GAAP (adjusted) Tax Rate**	31.6%	31.8%	20 bps
Total Debt	\$847	\$864	\$17
Cash	\$335	\$302	\$33

* Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP Financial Measures tables for details.

** Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

2015 Guidance Revision Details

	Revised 2015 Guidance	Prior 2015 Guidance (July 27, 2015)
Core Growth	Approximately (1%)	(1%) to +1%
Foreign Exchange	(4%) to (6%)	(4%) to (6%)
Divestitures	(0.5%)	(0.5%)
EPS (Adjusted)*	\$4.10-\$4.20	\$4.10-\$4.30
EPS (GAAP)	\$3.87-\$3.97	\$3.90-\$4.10
Free Cash Flow (\$ millions)**	\$190-\$210	\$190-\$220

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

** Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP Financial Measures tables for details.

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Non-GAAP Information

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

Certain non-GAAP measures have been provided to facilitate comparison with the prior year.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating the Company's performance.

In addition, Free Cash Flow provides supplemental information to assist management and investors in analyzing the Company's ability to generate liquidity from its operating activities. The measure of Free Cash Flow does not take into consideration certain other non-discretionary cash requirements such as, for example, mandatory principal payments on the Company's long-term debt. Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP.

Non-GAAP Financial Measures

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Non-GAAP Financial Measures
(in millions, except per share data)

	<u>INCOME ITEMS</u>		Percent Change September 30, 2015 Three Months
	2015	2014	
Net Sales	\$ 669.9	\$ 727.4	(7.9%)
Operating Profit	93.2	47.7	95.3%
<i>Percentage of Sales</i>	13.9%	6.6%	
<u>Special Items impacting Operating Profit:</u>			
MEI acquisition related inventory and backlog amortization	-	-	
MEI acquisition related integration costs	2.2	1.0	
MEI acquisition related restructuring costs	0.0	0.1	
Repositioning charges	2.0	3.4	
Lawsuit settlement charge	-	-	
Environmental Provision	-	55.8	
Operating Profit before Special Items	\$ 97.4	\$ 108.0	(9.8%)
<i>Percentage of Sales</i>	14.5%	14.9%	
Net Income Attributable to Common Shareholders	\$ 56.9	\$ 28.1	
<i>Per Share</i>	\$ 0.97	\$ 0.47	106.5%
<u>Special Items Impacting Net Income Attributable to Common Shareholders:</u>			
MEI acquisition related inventory and backlog amortization - Net of Tax	-	-	
<i>Per Share</i>			
MEI acquisition related integration charges - Net of Tax	1.4	0.8	
<i>Per Share</i>	\$ 0.02	\$ 0.01	
MEI acquisition related restructuring charges - Net of Tax	0.2	0.1	
<i>Per Share</i>	\$ 0.00	\$ 0.00	
Repositioning charges - Net of Tax	1.9	2.3	
<i>Per Share</i>	\$ 0.03	\$ 0.04	
Lawsuit settlement charge - Net of Tax	-	-	
<i>Per Share</i>		\$ -	
Environmental Provision - Net of Tax	-	36.3	
<i>Per Share</i>		\$ 0.61	
Loss on business divestiture - Net of Tax	-	-	
<i>Per Share</i>		\$ -	
Gain on real estate divestiture - Net of Tax	-	(0.7)	
<i>Per Share</i>		\$ (0.01)	
Net Income Attributable To Common Shareholders Before Special Items	\$ 60.3	\$ 66.8	(9.7%)
<i>Per Share</i>	\$ 1.03	\$ 1.12	(8.0%)

Non-GAAP Financial Measures

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Guidance

(in millions, except per share data)

2015 Earnings Per Share Guidance	2015 Full Year Guidance	
	Low	High
Earnings Per Share - GAAP basis	\$ 3.87	\$ 3.97
MEI acquisition related integration and restructuring costs - Net of Tax	0.08	0.08
Repositioning actions - Net of Tax	0.15	0.15
Earnings Per Share - Non-GAAP basis	<u>\$ 4.10</u>	<u>\$ 4.20</u>

CASH FLOW ITEMS

	Three Months Ended September 30,		2015 Full Year Guidance	
	2015	2014	Low	High
Cash Provided by Operating Activities before Asbestos - Related Payments	\$ 81.1	\$ 83.6	\$ 298.5	\$ 298.5
Asbestos Related Payments, Net of Insurance Recoveries	(11.4)	(15.4)	(58.5)	(48.5)
Cash Provided by Operating Activities	69.7	68.2	240.0	250.0
Less: Capital Expenditures	(8.1)	(11.5)	(50.0)	(40.0)
Free Cash Flow	<u>\$ 61.5</u>	<u>\$ 56.7</u>	<u>\$ 190.0</u>	<u>\$ 210.0</u>

Non-GAAP Financial Measures

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CRANE CO. Non-GAAP Financial Measures

(\$ Millions)

For the three months ended September 30, 2015

	Fluid Handling	Payment & Merchandising Technologies	Aerospace & Electronics	Engineered Materials	Corporate	Environmental Provision	Total Company
Net Sales	264.7	170.6	171.7	62.9	-	-	669.9
Operating Profit - GAAP	29.4	25.2	36.5	12.5	-10.4	-	93.2
Acquisition related integration costs	-	2.2	-	-	-	-	2.2
Acquisition related restructuring costs	-	-	-	-	-	-	0.0
Repositioning charges	1.7	-	0.2	-	-	-	2.0
Operating Profit before Special Items	31.1	27.4	36.7	12.5	-10.4	-	97.4
<i>Percentage of Sales</i>	<i>11.8%</i>	<i>16.1%</i>	<i>21.4%</i>	<i>19.9%</i>			<i>14.5%</i>

(\$ Millions)

For the three months ended September 30, 2014

	Fluid Handling	Payment & Merchandising Technologies	Aerospace & Electronics	Engineered Materials	Corporate	Environmental Provision	Total Company
Net Sales	314.5	181.1	167.2	64.7	-	-	727.4
Operating Profit - GAAP	48.1	25.1	29.9	9.0	-8.6	-55.8	47.7
Acquisition related integration costs	-	1.8	-	-	-0.8	-	1.0
Acquisition related restructuring costs	-	0.1	-	-	-	-	0.1
Repositioning charges	1.2	-	2.2	-	-	-	3.4
Environmental provision	-	-	-	-	-	55.8	55.8
Gain on real estate divestiture	-	-	-	-	-	-	0.0
Operating Profit before Special Items	49.3	27.1	32.1	9.0	-9.5	0.0	108.0
<i>Percentage of Sales</i>	<i>15.7%</i>	<i>15.0%</i>	<i>19.2%</i>	<i>14.0%</i>			<i>14.9%</i>

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