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Q3 2017 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 2016 and in our subsequent disclosures filed with the Securities and Exchange Commission.

Q3 2017 Earnings Summary

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(\$ Millions except per-share amounts)

	Q3 2017	Q3 2016	Change
Sales	\$696	\$694	+0%
Operating Profit*	\$106	\$104	+2%
Operating Margin*	15.2%	15.0%	+20 bps
Earnings per Share	\$1.13	\$1.07	+6%

	YTD 2017	YTD 2016	Change
Free Cash Flow**	\$140	\$130	+8%

Additional Details

	Q3 2017		Q3 2017
Core Growth	(1.5%)	Diluted EPS: GAAP	\$1.13
Acquisitions, net	+1.1%	M&A Related Items*	\$0.00
FX Translation	+0.6%	Diluted EPS: non-GAAP	\$1.13
Total Sales Change	+0.2%		

* 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 expenditures. Please see non-GAAP Financial Measures tables for details.

(\$ Millions)

	Q3 2017	Q3 2016	Change
Sales	\$267	\$245	+9%
Operating Profit*	\$33	\$31	+8%
Operating Margin*	12.4%	12.5%	(10 bps)
Backlog	\$269	\$242	+11%

Additional Details

- Compared to Q2 2017 (sequentially), Q3 2017 FX neutral backlog +2% and FX neutral orders +1%
- Compared to Q3 2016 (Year-over-Year), Q3 2017 FX neutral backlog +9% and FX neutral orders +11%

	Q3 2017
Core Growth	+3.7%
Acquisitions	+3.3%
FX Translation	+1.9%
Total Sales Change	+8.9%

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

(\$ Millions)

	Q3 2017	Q3 2016	Change
Sales	\$189	\$187	+1%
Operating Profit*	\$41	\$35	+19%
Operating Margin*	22.0%	18.6%	+340 bps

Additional Details

- Continued strong demand for productivity solutions in developed markets
- Vending markets softer

	Q3 2017
Core Growth	+1.6%
Acquisitions, net	(0.4%)
FX Translation	(0.1%)
Total Sales Change	+1.1%

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

(\$ Millions)

	Q3 2017	Q3 2016	Change
Sales	\$172	\$198	(13%)
Operating Profit	\$35	\$39	(11%)
Operating Margin	20.2%	19.6%	+60 bps
Backlog	\$348	\$377	(8%)

Additional Details

	Q3 2017		Q3 2017
OE Sales	(16%)	Core Growth	(13.3%)
Aftermarket Sales	(4%)	FX Translation	+0.1%
OE / Aftermarket Mix	74%/26%	Total Sales Change	(13.2%)

- OE sales decline on challenging Space Fence comparisons, weaker business jet activity, and softer demand for cabin solutions

- Aftermarket decline driven by challenging modernization & upgrade program comparisons

(\$ Millions)

	Q3 2017	Q3 2016	Change
Sales	\$68	\$64	+7%
Operating Profit	\$12	\$11	+7%
Operating Margin	17.8%	17.7%	+10 bps

Additional Details

	Q3 2017		Q3 2017
Recreational Vehicle	+14%	Core Growth	+6.5%
Building Products	+3%	FX Translation	-
Transportation	(15%)	Total Sales Change	+6.5%

- RV and Building Products markets remain solid

- Resin prices higher

Cash Flow, Balance Sheet, and Tax

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(\$ Millions)

	Q3 2017	Q3 2016	Better / (Worse)
Cash Provided from Operating Activities	\$104	\$117	(\$13)
Capital Expenditures	(\$14)	(\$12)	(\$2)
Free Cash Flow*	\$90	\$105	(\$14)
Effective (GAAP) Tax Rate	29.4%	33.0%	360 bps
Non-GAAP (adjusted) Tax Rate**	29.5%	33.0%	350 bps
Total Debt	\$746	\$779	\$33
Cash	\$572	\$436	\$136
	YTD 2017	YTD 2016	Better / (Worse)
Cash Provided from Operating Activities	\$174	\$168	\$6
Capital Expenditures	(\$34)	(\$39)	\$4
Free Cash Flow*	\$140	\$130	\$10

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

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

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Non-GAAP Information

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>	Three Months Ended		Nine Months Ended		Percent Change September 30, 2017 Three Months	Percent Change September 30, 2017 Nine Months
	September 30,		September 30,			
	2017	2016	2017	2016		
Net Sales	\$ 695.9	\$ 694.2	\$ 2,071.8	\$ 2,066.5	0.2%	0.3%
Operating Profit	105.4	103.8	311.0	291.9	1.5%	6.6%
<i>Percentage of Sales</i>	15.2%	15.0%	15.0%	14.1%		
<u>Special Items impacting Operating Profit:</u>						
Transaction related charges	0.5	-	3.1	-		
Legal settlement charge	-	-	-	5.0		
Operating Profit before Special Items	<u>\$ 105.9</u>	<u>\$ 103.8</u>	<u>\$ 314.1</u>	<u>\$ 296.9</u>	2.0%	5.8%
<i>Percentage of Sales</i>	15.2%	15.0%	15.2%	14.4%		
Net Income Attributable to Common Shareholders	\$ 68.2	\$ 63.5	\$ 200.5	\$ 186.8		
<i>Per Share</i>	\$ 1.13	\$ 1.07	\$ 3.32	\$ 3.16	5.5%	5.1%
<u>Special Items Impacting Net Income Attributable to Common Shareholders:</u>						
Transaction related charges - Net of Tax	0.4	-	2.2	-		
<i>Per Share</i>	-	-	\$ 0.04	-		
Legal settlement charge - Net of Tax	-	-	-	3.3		
<i>Per Share</i>	-	\$ -	-	\$ 0.05		
Net Income Attributable To Common Shareholders Before Special Items	<u>\$ 68.6</u>	<u>\$ 63.5</u>	<u>\$ 202.7</u>	<u>\$ 190.1</u>	7.9%	6.6%
<i>Per Share</i>	<u>\$ 1.13</u>	<u>\$ 1.07</u>	<u>\$ 3.36</u>	<u>\$ 3.21</u>	6.1%	4.4%
<u>Special Items Impacting Provision for Income Taxes</u>						
Provision for Income Taxes - GAAP Basis	\$ 28.5	\$ 31.3	\$ 83.6	\$ 77.9		
Tax effect of transaction related charges	0.2	-	0.9	-		
Tax effect of legal settlement charge	-	-	-	1.7		
Provision for Income Taxes - non-GAAP Basis	<u>\$ 28.7</u>	<u>\$ 31.3</u>	<u>\$ 84.5</u>	<u>\$ 79.6</u>		

Non-GAAP Financial Measures

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Segment Information:

For the three months ended September 30, 2017

	<u>Fluid Handling</u>	<u>Payment & Merchandising Technologies</u>	<u>Aerospace & Electronics</u>	<u>Engineered Materials</u>	<u>Corporate</u>	<u>Total Company</u>
Net Sales	266.9	188.6	172.0	68.4	-	695.9
Operating Profit - GAAP	32.6	41.4	34.8	12.2	(15.6)	105.4
Transaction related charges	0.5	-	-	-	-	0.5
Operating Profit before Special Items	33.1	41.4	34.8	12.2	(15.6)	105.9
Percentage of Sales	12.4%	22.0%	20.2%	17.8%		15.2%

For the three months ended September 30, 2016

	<u>Fluid Handling</u>	<u>Payment & Merchandising Technologies</u>	<u>Aerospace & Electronics</u>	<u>Engineered Materials</u>	<u>Corporate</u>	<u>Total Company</u>
Net Sales	245.1	186.7	198.2	64.2	-	694.2
Operating Profit - GAAP	30.7	34.7	38.9	11.4	(11.9)	103.8
Percentage of Sales	12.5%	18.6%	19.6%	17.7%		15.0%

Non-GAAP Financial Measures

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Guidance

(in millions, except per share data)

2017 Full Year Guidance

2017 Earnings Per Share Guidance

	<u>Low</u>	<u>High</u>
Earnings Per Share - GAAP basis	\$ 4.41	\$ 4.51
Transaction related charge - Net of Tax	0.04	0.04
Earnings Per Share - Non-GAAP basis	<u>\$ 4.45</u>	<u>\$ 4.55</u>

CASH FLOW ITEMS

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>		<u>2017 Full Year Guidance</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Low</u>	<u>High</u>
Cash Provided by Operating Activities						
before Asbestos - Related Payments	\$ 122.4	\$ 132.4	\$ 221.0	\$ 209.9	\$ 330.0	\$ 360.0
Asbestos Related Payments, Net of Insurance Recoveries	(18.6)	(15.8)	(46.8)	(41.5)	(60.0)	(60.0)
Cash Provided by Operating Activities	103.8	116.6	174.2	168.4	270.0	300.0
Less: Capital Expenditures	(13.5)	(11.9)	(34.3)	(38.5)	(50.0)	(50.0)
Free Cash Flow	<u>\$ 90.3</u>	<u>\$ 104.7</u>	<u>\$ 139.9</u>	<u>\$ 129.9</u>	<u>\$ 220.0</u>	<u>\$ 250.0</u>

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