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Q3 2016 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 2015 and in our subsequent disclosures filed with the Securities and Exchange Commission.

Q3 2016 Earnings Summary

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(\$ Millions except per-share amounts)

	Q3 2016	Q3 2015	Change
Sales	\$694	\$670	+4%
Operating Profit*	\$104	\$97	+7%
Operating Margin*	15.0%	14.5%	+50 bps
Earnings per Share*	\$1.07	\$1.03	+4%
Free Cash Flow**	\$105	\$62	+70%

Additional Details

	Q3 2016		Q3 2016
Core Growth	+5.5%	Diluted EPS: GAAP	\$1.07
FX Translation	(1.9%)	Special Items*	-
Total Sales Change	+3.6%	Diluted EPS: non-GAAP	\$1.07

* 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 2016	Q3 2015	Change
Sales	\$245	\$265	(7%)
Operating Profit*	\$31	\$31	(1%)
Operating Margin*	12.5%	11.8%	+70 bps
Backlog	\$242	\$279	(13%)

Q3 2016 Highlights

- Sales and orders remain depressed, but consistent with guidance
- Project delays and modest pricing pressure continue

	Q3 2016
Core Growth	(4.6%)
FX Translation	(2.8%)
Total Sales Change	(7.4%)

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

(\$ Millions)

	Q3 2016	Q3 2015	Change
Sales	\$187	\$171	+9%
Operating Profit*	\$35	\$27	+27%
Operating Margin*	18.6%	16.1%	+250 bps

Q3 2016 Highlights

- Continued strong margin expansion driven by productivity and synergies
- Remain on track for \$33 million total synergy realization by end of 2016
- Core growth from both Payment and Merchandising businesses

	Q3 2016
Core Growth	+12.3%
FX Translation	(2.9%)
Total Sales Change	+9.4%

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

(\$ Millions)

	Q3 2016	Q3 2015	Change
Sales	\$198	\$172	+15%
Operating Profit*	\$39	\$37	+6%
Operating Margin*	19.6%	21.4%	(180 bps)
Backlog	\$377	\$460	(18%)

Q3 2016 Highlights

	Q3 2016		Q3 2016
OE Sales	+22%	Core Growth	+15.4%
Aftermarket Sales	(1%)	FX Translation	-
OE / Aftermarket Mix	77% / 23%	Total Sales Change	+15.4%

- OE sales increase driven by Space Fence program
- Commercial OE sales up low single-digit

- Aftermarket lower on B-52 retrofit comparisons and softer commercial replenishment spares

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

(\$ Millions)

	Q3 2016	Q3 2015	Change
Sales	\$64	\$63	+2%
Operating Profit	\$11	\$13	(9%)
Operating Margin	17.7%	19.9%	(220 bps)

Q3 2016 Highlights

	Q3 2016		Q3 2016
Recreational Vehicle	+3%	Core Growth	+2.1%
Building Products	+7%	FX Translation	-
Transportation	(12%)	Total Sales Change	+2.1%
<ul style="list-style-type: none"> ■ Solid demand in RV continues 		<ul style="list-style-type: none"> ■ Expect seasonally softer 4th quarter 	

Cash Flow, Balance Sheet, and Tax

(\$ Millions)

	Q3 2016	Q3 2015	Better / (Worse)
Cash Provided from Operating Activities	\$117	\$70	67%
Capital Expenditures	(\$12)	(\$8)	(47%)
Free Cash Flow*	\$105	\$62	70%
Effective (GAAP) Tax Rate	33.0%	32.3%	(70 bps)
Non-GAAP (adjusted) Tax Rate**	33.0%	31.6%	(140 bps)
Total Debt	\$779	\$847	\$68
Cash	\$436	\$335	\$101

* 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.

2016 Guidance Revision Details

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(\$ Millions)

	Revised 2016 Guidance	Prior 2016 Guidance
Core Sales Growth	Flat to 2%	(1.5%) to +1.5%
Foreign Exchange Sales Impact	No Change	(2%)
EPS (GAAP)	\$4.07-\$4.15	\$3.95-\$4.15
EPS (Adjusted)*	\$4.12-\$4.20	\$4.00-\$4.20
Free Cash Flow (\$ millions)**	\$200-\$225	\$195-\$220
Effective Tax Rate	~30%	~30%
Corporate Expense*	\$54	\$54

* 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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Jason D. Feldman
Director, Investor Relations
203-363-7329

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)

INCOME ITEMS

	Three Months Ended September 30,		Nine Months Ended September 30,		Percent Change September 30, 2016 Three Months	Percent Change September 30, 2016 Nine Months
	2016	2015	2016	2015		
Net Sales	\$ 694.2	\$ 669.9	\$ 2,066.5	\$ 2,060.0	3.6%	0.3%
Operating Profit	103.8	93.2	291.9	269.4	11.4%	8.4%
<i>Percentage of Sales</i>	<i>15.0%</i>	<i>13.9%</i>	<i>14.1%</i>	<i>13.1%</i>		
<u>Special Items impacting Operating Profit:</u>						
MEI Acquisition related integration charges	-	2.2	-	5.6		
MEI Acquisition related restructuring charges	-	-	-	0.2		
Repositioning charges	-	2.0	-	11.7		
Legal settlement charge	-	-	5.0	-		
Operating Profit before Special Items	\$ 103.8	\$ 97.4	\$ 296.9	\$ 286.9	6.6%	3.5%
<i>Percentage of Sales</i>	<i>15.0%</i>	<i>14.5%</i>	<i>14.4%</i>	<i>13.9%</i>		
Net Income Attributable to Common Shareholders	\$ 63.5	\$ 56.9	\$ 186.8	\$ 163.7		
<i>Per Share</i>	<i>\$ 1.07</i>	<i>\$ 0.97</i>	<i>\$ 3.16</i>	<i>\$ 2.78</i>	10.4%	13.5%
<u>Special Items Impacting Net Income Attributable to Common Shareholders:</u>						
MEI acquisition related integration charges - Net of Tax	-	1.4	-	3.7		
<i>Per Share</i>		<i>\$ 0.02</i>		<i>\$ 0.06</i>		
MEI acquisition related restructuring charges - Net of Tax	-	0.2	-	0.3		
<i>Per Share</i>		<i>\$ 0.00</i>		<i>\$ 0.00</i>		
Repositioning charges - Net of Tax	-	1.9	-	9.0		
<i>Per Share</i>		<i>\$ 0.03</i>		<i>\$ 0.15</i>		
Legal settlement charge - Net of Tax	-	-	3.3	-		
<i>Per Share</i>	<i>\$ -</i>		<i>\$ 0.05</i>			
Net Income Attributable To Common Shareholders Before Special Items	\$ 63.5	\$ 60.3	\$ 190.1	\$ 176.7	5.4%	7.6%
<i>Per Share</i>	<i>\$ 1.07</i>	<i>\$ 1.03</i>	<i>\$ 3.21</i>	<i>\$ 3.00</i>	4.2%	6.9%
<u>Special Items Impacting Provision for Income Taxes</u>						
Provision for Income Taxes - GAAP Basis	\$ 31.3	\$ 27.1	\$ 77.9	\$ 77.7		
Tax effect of MEI acquisition related integration charges	-	0.7	-	1.8		
Tax effect of MEI acquisition related restructuring charges	-	-	-	-		
Tax effect of repositioning charges	-	0.1	-	2.7		
Tax effect of legal settlement charge	-	-	1.8	-		
Provision for Income Taxes - non-GAAP Basis	\$ 31.3	\$ 27.9	\$ 79.7	\$ 82.2		

Non-GAAP Financial Measures

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Guidance

(in millions, except per share data)

2016 Earnings Per Share Guidance	2016 Full Year Guidance	
	Low	High
Earnings Per Share - GAAP basis	\$ 4.07	\$ 4.15
Legal settlement charge - Net of Tax	0.05	0.05
Earnings Per Share - Non-GAAP basis	\$ 4.12	\$ 4.20

CASH FLOW ITEMS

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 Full Year Guidance	
	2016	2015	2016	2015	Low	High
Cash Provided by Operating Activities before Asbestos - Related Payments	\$ 132.4	\$ 81.1	\$ 209.9	\$ 151.9	\$ 305.0	\$ 330.0
Asbestos Related Payments, Net of Insurance Recoveries	(15.8)	(11.4)	(41.5)	(36.2)	(55.0)	(55.0)
Cash Provided by Operating Activities	116.6	69.7	168.4	115.7	250.0	275.0
Less: Capital Expenditures	(11.9)	(8.1)	(38.5)	(28.2)	(50.0)	(50.0)
Free Cash Flow	\$ 104.7	\$ 61.5	\$ 129.9	\$ 87.4	\$ 200.0	\$ 225.0

Non-GAAP Financial Measures

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Segment Information:

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%

For the three months ended September 30, 2015

	<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	\$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 charges	-	2.2	-	-	-	2.2
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
Percentage of Sales	11.8%	16.1%	21.4%	19.9%		14.5%

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