CRANE

CRANE Q4 2024

Earnings Release Call



Forward-Looking Statements – Disclaimer

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief, or expectations, including, but not limited to: benefits and synergies of the separation transaction; strategic and competitive advantages of Crane; future financing plans and opportunities; and business strategies, prospects and projected operating and financial results. We caution investors not to place undue reliance on any such forward-looking statements.

These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained.

Risks and uncertainties that could cause actual results to differ materially from our expectations include, but are not limited to: changes in global economic conditions (including inflationary pressures) and geopolitical risks, including macroeconomic fluctuations that may harm our business, results of operation and stock price; information systems and technology networks failures and breaches in data security, theft of personally identifiable and other information, non-compliance with our contractual or other legal obligations regarding such information; our ability to source components and raw materials from suppliers, including disruptions and delays in our supply chain; demand for our products, which is variable and subject to factors beyond our control; governmental regulations and failure to comply with those regulations; fluctuations in the prices of our components and raw materials; loss of personnel or being able to hire and retain additional personnel needed to sustain and grow our business as planned; risks from environmental liabilities, costs, litigation and violations that could adversely affect our financial condition, results of operations, cash flows and reputation; risks associated with conducting a substantial portion of our business outside the U.S.; being unable to identify or complete acquisitions, or to successfully integrate the businesses we acquire, or complete dispositions; adverse impacts from intangible asset impairment charges; potential product liability or warranty claims; being unable to successfully develop and introduce new products, which would limit our ability to grow and maintain our competitive position and adversely affect our financial condition, results of operations and cash flow; significant competition in our markets; additional tax expenses or exposures that could affect our financial condition, results of operations and cash flows; inadequate or ineffective internal controls; specific risks relating to our reportable segments, including Aerospace & Electronics and Process Flow Technologies; the ability and willingness of Crane Company and Crane NXT, Co. to meet and/or perform their obligations under any contractual arrangements that are entered into among the parties in connection with the separation transaction and any of their obligations to indemnify, defend and hold the other party harmless from and against various claims, litigation and liabilities; and the ability to achieve some or all the benefits that we expect to achieve from the separation transaction.

Readers should carefully review Crane's financial statements and the notes thereto, as well as the section entitled "Risk Factors" in Item 1A of Crane's Annual Report on Form 10-K for the year ended December 31, 2023 and the other documents Crane files from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Crane assumes no (and disclaims any) obligation to revise or update any forward-looking statements.

We make no representations or warranties as to the accuracy of any projections, statements or information contained in this presentation. It is understood and agreed that any such projections, targets, statements and information are not to be viewed as facts and are subject to significant business, financial, economic, operating, competitive and other risks, uncertainties and contingencies many of which are beyond our control, that no assurance can be given that any particular financial projections ranges, or targets will be realized, that actual results may differ from projected results and that such differences may be material. While all financial projections, estimates and targets are necessarily speculative, we believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection, estimate or target extends from the date of preparation. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial projections, estimates and targets. The inclusion of financial projections, estimates and targets in this presentation should not be regarded as an indication that we or our representatives, considered or consider the financial projections, estimates and targets to be a reliable prediction of future events.

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Highlights from Fourth Quarter 2024 Results

$ Millions	GAAP			Adjusted*		
except per-share amounts	Q4 2024	Q4 2023	Change	Q4 2024	Q4 2023	Change
Sales	$544	$484	**12%**	$544	$484	**+12%**
Operating Profit	$86	$62	**+38%**	$96	$70	**+38%**
Operating Margin	15.8%	12.9%	**+290 bps**	17.7%	14.5%	**+320 bps**
Earnings per Share	$1.20	$0.76	**+58%**	$1.26	$0.80	**+58%**
Adjusted EBITDA	*NA*	*NA*	*NA*	$108	$80	**+35%**

ADDITIONAL DETAILS

	Q4 2024
Core Growth	+7.6%
Acquisitions	+4.5%
FX Translation	+0.2%
Total Sales Change	**+12.3%**

	Q4 2024
Diluted EPS: GAAP	**$1.20**
Special Items, net	$0.06
Diluted EPS: Adjusted	**$1.26**

* Excludes Special Items. Please see non-GAAP Explanation for details.

Aerospace & Electronics

$ Millions	GAAP			Adjusted*		
	Q4 2024	Q4 2023	Change	Q4 2024	Q4 2023	Change
Sales	$237	$213	+11%	$237	$213	+11%
Operating Profit	$53	$43	+24%	$55	$43	+28%
Operating Margin	22.4%	20.2%	+220 bps	23.1%	20.2%	+290 bps
Backlog	$864	$701	+23%	$864	$701	+23%

ADDITIONAL DETAILS

	Q4 2024
Core Growth	+6.6%
Acquisitions	+4.7%
FX Translation	+0.0%
Total Sales Change	+11.3%

	Q4 2024
OE Sales	+7%
Aftermarket Sales	+21%
OE/Aftermarket Mix	63% / 37%

* Excludes Special Items. Please see non-GAAP Explanation for details.

Process Flow Technologies

$ Millions	GAAP			Adjusted*		
	Q4 2024	Q4 2023	Change	Q4 2024	Q4 2023	Change
Sales	$307	$272	+13%	$307	$272	+13%
Operating Profit	$58	$43	+34%	$62	$46	+36%
Operating Margin	19.0%	16.0%	+300 bps	20.3%	17.0%	+330 bps
Backlog	$376	$379	(1)%	$376	$379	(1)%

ADDITIONAL DETAILS

	Q4 2024
Core Growth	+8.5%
Acquisitions	+4.3%
FX Translation	+0.4%
Total Sales Change	+13.2%

- On a year-over-year basis, core FX-neutral backlog decreased 4% and core FX-neutral orders increased 3%
- On a sequential quarter-over-quarter basis, core FX-neutral backlog decreased 4% and core FX-neutral orders decreased 2%

* Excludes Special Items. Please see non-GAAP Explanation for details.

Crane Company Capital Structure

AS OF December 31, 2024



ADDITIONAL DETAILS

- Interest rate on Term Loan (~5.9% in current market conditions)
- Term Loan and Revolver provide flexibility for early repayment from strong underlying free cash flow
- Received $208 million of proceeds from the Engineered Materials divestiture on January 2nd.

Expected M&A Capacity: $1+ Billion Today / ~$4 Billion Through 2028

Crane Company 2025 Outlook

$ millions except EPS	FY2025 Guidance
Revenue	$2,230 - $2,270
Adjusted Segment Operating Profit	$500-$515
Adjusted Segment Operating Margin	22.5%+
Adjusted EPS	$5.30-5.60
Free Cash Flow Conversion	90-100%

- Additional guidance items for 2025:
  - Corporate cost of ~$80 million
  - Net non-operating expense (including net interest expense) of ~$10 million
  - Tax rate ~23.5%
  - Diluted shares of ~59 million

Key Highlights for 2025 Revenue

- Core sales growth in the range of 4-6%
  - Aerospace & Electronics + HSD
  - Process Flow Technologies +L-MSD
- FX Headwind ~(1)%
- M&A Contribution ~+1-2%
  - CryoWorks
  - Technifab

Initial View for 2025 EPS of ~$5.30-$5.60

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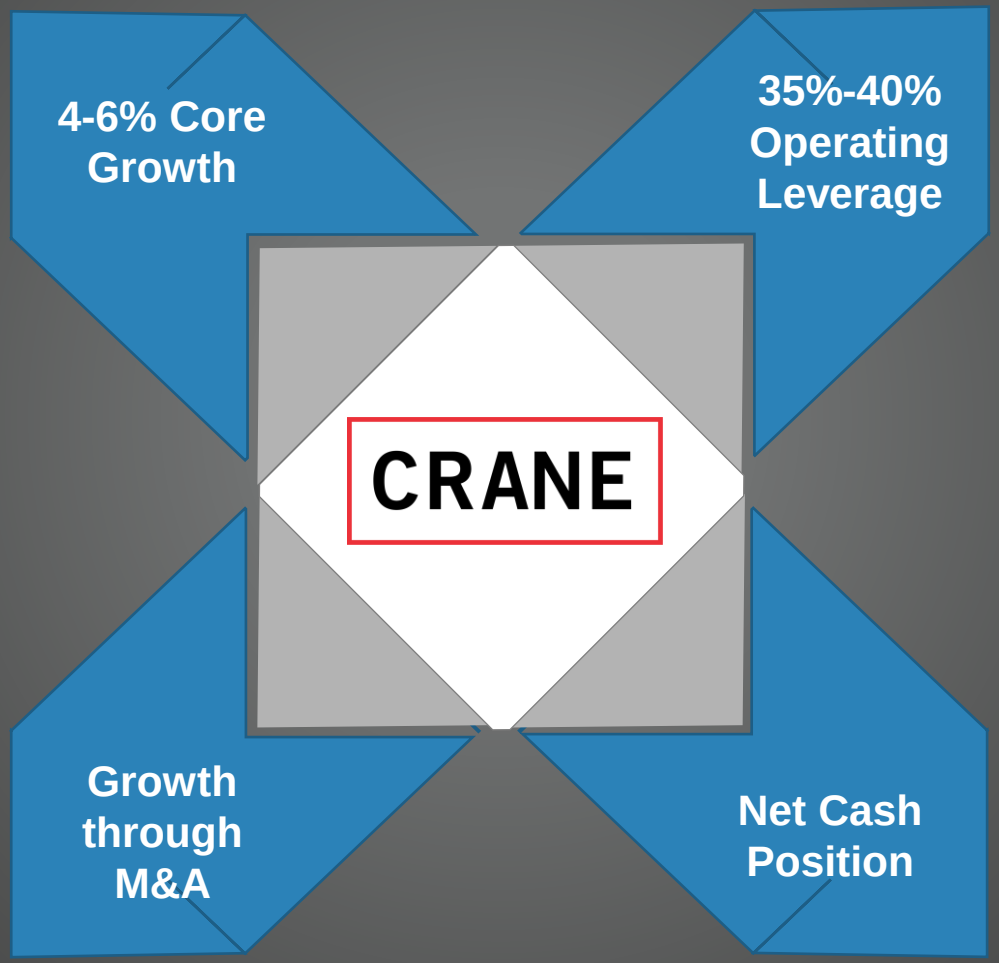
Momentum Continues

- Solid organic growth profile, led by technology innovation and new product development



- Continued margin expansion, led by superior products, strong pricing, and operational excellence

- Disciplined approach to acquisitions; require 10% ROIC by year 5

- Strong balance sheet supporting our capital deployment strategies

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Non-GAAP Information and Appendix

December 31, 2024



Non-GAAP Explanation (1/2)

Crane Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). This presentation includes certain non-GAAP financial measures, including adjusted operating profit, adjusted operating margin, adjusted EPS, Free Cash Flow and Adjusted Free Cash Flow, that are not prepared in accordance with GAAP. These non-GAAP measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to operating income, net income or any other performance measures derived in accordance with GAAP. We believe that these non-GAAP measures of financial results (including on a forward-looking or projected basis) provide useful supplemental information to investors about Crane Company. Our management uses certain forward looking non-GAAP measures to evaluate projected financial and operating results. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently or may use other measures to calculate their financial performance, and therefore our non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Reconciliations of certain forward-looking and projected non-GAAP measures for Crane Company, including Adjusted EPS, and Adjusted segment margin to the closest corresponding GAAP measure are not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the charges excluded from these non-GAAP measures, which could have a potentially significant impact on our future GAAP results. For Crane Company, these forward looking and projected non- GAAP measures are calculated as follows:

“Adjusted Net Income” is calculated as Net Income adjusted for Special Items which include transaction related expenses such as tax charges, professional fees, and incremental costs related to the separation; interest expense on the 364-day term loan related to the 2022 asbestos transaction; pension non-service costs; and, repositioning related (gains) charges.

“Adjusted EPS” is calculated as Adjusted Net Income divided by diluted shares.

“Adjusted Operating Profit” is calculated as Operating Profit before Special Items which include repositioning related (gains) charges and transaction related expenses such as tax charges, professional fees, and incremental costs related to the separation.

“Adjusted Operating Margin” is calculated as Adjusted Operating Profit divided by sales.

“ “Free Cash Flow” is calculated as operating cash flow less capital expenditures. “Free Cash Flow Conversion” is calculated as free cash flow divided by adjusted net income.

Non-GAAP Explanation (2/2)

We believe that each of the following non-GAAP measures provides useful information to investors regarding the Company's financial conditions and operations:

"Adjusted Operating Profit" and "Adjusted Operating Margin" add back to Operating Profit items which are outside of our core performance, some of which may or may not be non-recurring, and which we believe may complicate the interpretation of the Company's underlying earnings and operational performance. These items include income and expense such as transaction related expenses and repositioning related (gains) charges. These items are not incurred in all periods, the size of these items is difficult to predict, and none of these items are indicative of the operations of the underlying businesses. We believe that non-GAAP financial measures that exclude these items provide investors with an alternative metric that can assist in predicting future earnings and profitability that are complementary to GAAP metrics.

"Adjusted Net Income" and "Adjusted EPS" exclude items which are outside of our core performance, some of which may or may not be non-recurring, and which we believe may complicate the presentation of the Company's underlying earnings and operational performance. These measures include income and expense items that impacted Operating Profit such as transaction related expenses and repositioning related (gains) charges, as well as items not impacted Operating Profit such as pension non-service costs. These items are not incurred in all periods, the size of these items is difficult to predict, and none of these items are indicative of the operations of the underlying businesses. We believe that non-GAAP financial measures that exclude these items provide investors with an alternative metric that can assist in predicting future earnings and profitability that are complementary to GAAP metrics.

"Adjusted EBITDA" adds back to net income: net interest expense, income tax expense, depreciation and amortization, miscellaneous income, net, and Special Items including transaction related expenses. "Adjusted EBITDA Margin" is calculated as adjusted EBITDA divided by net sales. We believe that adjusted EBITDA and adjusted EBITDA margin provide investors with an alternative metric that may be a meaningful indicator of our performance and provides useful information to investors regarding our financial conditions and results of operations that is complementary to GAAP metrics.

"Free Cash Flow" and "Adjusted Free Cash Flow" provide 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. Free Cash Flow is calculated as cash provided by operating activities less capital spending. Adjusted Free Cash Flow is calculated as Free Cash Flow adjusted for certain cash items which we believe may complicate the interpretation of the Company's underlying free cash flow performance such as certain transaction related cash flow items related to acquisitions, the separation transaction, and insurance proceeds related to damaged property, plant and equipment caused by natural disasters. These items are not incurred in all periods, the size of these items is difficult to predict, and none of these items are indicative of the operations of the underlying businesses. We believe that non-GAAP financial measures that exclude these items provide investors with an alternative metric that can assist in predicting future cash flows that are complementary to GAAP metrics.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

(unaudited, in millions, except per share data)

	Three Months Ended December 31,				
	2024		2023		% Change
	$	Per Share	$	Per Share	(on $)
Net sales (GAAP)	$ 544.1		$ 484.3		12.3 %
Adjusted Operating Profit and Adjusted Operating Profit Margin					
Operating profit (GAAP)	$ 86.2		$ 62.4		38.1 %
Operating profit margin (GAAP)	*15.8 %*		*12.9 %*		
Special items impacting operating profit:					
Transaction related expenses[a][b]	7.4		6.3		
Repositioning related charges, net	2.8		1.4		
Adjusted operating profit (Non-GAAP)	$ 96.4		$ 70.1		37.5 %
Adjusted operating profit margin (Non-GAAP)	*17.7 %*		*14.5 %*		
Adjusted Net Income and Adjusted Net Income per Share					
Net income from continuing operations attributable to common shareholders (GAAP)	$ 70.3	$ 1.20	$ 43.6	$ 0.76	61.2 %
Transaction related expenses[a][b]	2.9	0.05	3.1	0.05	
Repositioning related charges, net	2.8	0.05	1.4	0.02	
Impact of pension non-service costs	—	—	1.5	0.03	
Tax effect of the Non-GAAP adjustments	(2.3)	(0.04)	(3.6)	(0.06)	
Adjusted net income (Non-GAAP)	$ 73.7	$ 1.26	$ 46.0	$ 0.80	60.2 %
Adjusted EBITDA and Adjusted EBITDA Margin					
Net income (GAAP)	$ 70.3		$ 43.6		61.2 %
Net income margin (GAAP)	*12.9 %*		*9.0 %*		
Adjustments to net income:					
Interest expense, net	3.8		4.1		
Income tax expense	15.6		16.1		
Depreciation	8.7		8.0		
Amortization	4.8		2.0		
Miscellaneous income, net	(3.5)		(1.4)		
Repositioning related charges, net	2.8		1.4		
Transaction related expenses[a][b]	5.4		6.0		
Adjusted EBITDA (Non-GAAP)	$ 107.9		$ 79.8		35.2 %
Adjusted EBITDA Margin (Non-GAAP)	*19.8 %*		*16.5 %*		

[a] 2024 transaction-related expenses are primarily associated with the Technifab acquisition and the divestiture of the Engineered Materials business.
[b] 2023 transaction-related expenses are primarily associated with the separation and the Baum acquisition.

Totals may not sum due to rounding

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Non-GAAP Financial Measures

Non-GAAP Financial Measures by Segment

(unaudited, in millions)

Three Months Ended December 31, 2024	Aerospace & Electronics	Process Flow Technologies	Corporate	Total Company
Net sales	$ 236.8	$ 307.3	$ —	$ 544.1
Operating profit (GAAP)	$ 53.1	$ 58.4	$ (25.3)	$ 86.2
Operating profit margin (GAAP)	*22.4 %*	*19.0 %*		*15.8 %*
Special items impacting operating profit:				
Transaction related expenses[a]	1.3	1.8	4.3	7.4
Repositioning related charges, net	0.3	2.3	0.2	2.8
Adjusted operating profit (Non-GAAP)	$ 54.7	$ 62.5	$ (20.8)	$ 96.4
Adjusted operating profit margin (Non-GAAP)	*23.1 %*	*20.3 %*		*17.7 %*
Three Months Ended December 31, 2023				
Net sales	$ 212.8	$ 271.5	$ —	$ 484.3
Operating profit (GAAP)	$ 42.9	$ 43.4	$ (23.9)	$ 62.4
Operating profit margin (GAAP)	*20.2 %*	*16.0 %*		*12.9 %*
Special items impacting operating profit:				
Transaction related expenses[b]	—	1.3	5.0	$ 6.3
Repositioning related charges, net	—	1.4	—	$ 1.4
Adjusted operating profit (Non-GAAP)	$ 42.9	$ 46.1	$ (18.9)	$ 70.1
Adjusted operating profit margin (Non-GAAP)	*20.2 %*	*17.0 %*		*14.5 %*

[a] 2024 transaction-related expenses are primarily associated with the Technifab acquisition and the divestiture of the Engineered Materials business.

[b] 2023 transaction-related expenses are primarily associated with the separation and the Baum acquisition.

Totals may not sum due to rounding

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Non-GAAP Financial Measures

Adjusted Free Cash Flow

(unaudited, in millions)

Cash Flow Items	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Cash provided by operating activities from continuing operations	$ 202.0	$ 141.9	$ 257.8	$ 162.1
Less: Capital expenditures	(13.8)	(11.6)	(36.6)	(39.0)
Free cash flow	$ 188.2	$ 130.3	$ 221.2	$ 123.1
Adjustments:				
Transaction-related expenses	3.9	5.0	11.4	41.5
Proceeds from insurance recoveries for damaged property, plant and equipment	1.0	—	1.0	—
Adjusted free cash flow from continuing operations	$ 193.1	$ 135.3	$ 233.6	$ 164.6
Free cash flow from Engineered Materials	6.5	16.4	11.8	27.8
Adjusted free cash flow	$ 199.6	$ 151.7	$ 245.4	$ 192.4

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Non-GAAP Financial Measures

2024 Quarterly Adjustments

(unaudited, in millions, expect for per share data)

For year ended December 31, 2024 [(a)]	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net sales	$ 510.2	$ 528.6	$ 548.3	$ 544.1	$ 2,131.2
Cost of sales	303.4	317.1	321.3	321.6	1,263.4
Gross profit	206.8	211.5	227.0	222.5	867.8
Operating profit	81.3	89.3	99.0	86.2	355.8
Net income from continuing operations attributable to common shareholders	58.8	66.3	72.8	70.3	268.2
Income from discontinued operations, net of tax	6.0	5.3	4.5	10.7	26.5
Net income attributable to common shareholders	$ 64.8	$ 71.6	$ 77.3	$ 81.0	$ 294.7
Earnings per basic share:					
Earnings per basic share from continuing operations	$ 1.03	$ 1.16	$ 1.27	$ 1.23	$ 4.69
Earnings per basic share from discontinuing operations	0.11	0.09	0.08	0.18	0.46
Earnings per basic share	$ 1.14	$ 1.25	$ 1.35	$ 1.41	$ 5.15
Diluted earnings per share:					
Earnings per diluted share from continuing operations	$ 1.02	$ 1.14	$ 1.25	$ 1.20	$ 4.60
Earnings per diluted share from discontinuing operations	0.10	0.09	0.08	0.18	0.45
Earnings per diluted share	$ 1.12	$ 1.23	$ 1.33	$ 1.38	$ 5.05
Earnings per diluted share from continuing operations	$ 1.02	$ 1.14	$ 1.25	$ 1.20	$ 4.60
Transaction related expenses	0.12	0.09	0.06	0.05	0.32
Repositioning related charges, net	-	-	0.01	0.05	0.06
Impact of pension non-service costs	0.01	(0.01)	-	-	-
Tax effect of the Non-GAAP adjustments	(0.03)	(0.02)	(0.02)	(0.04)	(0.10)
Adjusted earnings per share from continuing operations	$ 1.12	$ 1.20	$ 1.30	$ 1.26	$ 4.88

[(a)] Quarterly totals may not foot across due to rounding.

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