CRANE

NEWS RELEASE

Crane Co. Reports Second Quarter 2021 Results and Raises 2021 EPS Guidance

2021-07-26

Second Quarter 2021 Highlights

- GAAP earnings from continuing operations per diluted share (EPS) of $1.87 compared to $0.23 in the second quarter of 2020.
- Excluding Special Items, record EPS from continuing operations of $1.83 increased 205% compared to $0.60 in the second quarter of 2020.
- Core year-over-year sales growth of 19% and core year-over-year order growth of 45%.
- Raising GAAP EPS from continuing operations guidance to $6.05-$6.25, from $5.75-$5.95.
- Raising EPS from continuing operations guidance, excluding Special Items, to $5.95-$6.15, from $5.65-$5.85.

STAMFORD, Conn.--(BUSINESS WIRE)-- Crane Co. (NYSE: CR), a diversified manufacturer of highly engineered industrial products, reported second quarter 2021 financial results and updated its full-year 2021 outlook.

Max Mitchell, Crane Co. President and Chief Executive Officer stated: “We delivered another quarter of exceptionally strong results with record adjusted operating margins of 17.6% and record adjusted EPS. All three of our strategic growth platforms continue to perform extremely well, and we continue to see strengthening underlying trends in our primary end markets as reflected in our core year-over-year order growth of 45% and core year-over-year backlog growth of 7%.”

"Considering our strong performance in the second quarter and our outlook for the balance of the year, we are raising our adjusted EPS from continuing operations guidance by $0.30 to a range of $5.95-$6.15 reflecting an

approximate 70% year-over-year increase. The midpoint of our guidance range is also above our prior-peak 2019 total adjusted EPS of $6.02 despite Engineered Materials' current classification as discontinued operations, and with the majority of our end markets in the very early stages of recovery and still well below pre-COVID levels. We are also continuing our substantial investments in technology and strategic growth initiatives positioning us for continued outgrowth through the post-COVID recovery, and we expect strong operating leverage given our consistently solid execution. I am confident that we remain on a path to generate substantial and sustainable value for all of our stakeholders by continuing to drive above-market growth, paired with ongoing active portfolio management."

Second Quarter 2021 Results from Continuing Operations

Second quarter 2021 GAAPearnings from continuing operations per diluted share (EPS) of $1.87, compared to $0.23 in the second quarter of 2020. Excluding Special Items, second quarter 2021 EPS from continuing operations was $1.83, compared to $0.60 in the second quarter of 2020. Both GAAP and Adjusted EPS from continuing operations in the second quarter of 2021 included an excess tax benefit of approximately $4 million, or $0.07 per share, related to stock options exercised during the quarter. (Please see the attached Non-GAAP Financial Measures tables for a detailed reconciliation of reported results to adjusted measures.)

Second quarter 2021 sales were $796 million, an increase of 24% compared to the second quarter of 2020. The sales increase was comprised of a $120 million, or 19%, increase in core sales, and a $32 million, or 5%, benefit from favorable foreign exchange.

Second quarter 2021 operating profit was $137 million, compared to $29 million in the second quarter of 2020. Operating profit margin was 17.2%, compared to 4.5% last year, with the improvement driven primarily by higher volumes as well as benefits from 2020 cost actions and the non-recurrence of repositioning charges. Excluding Special Items, second quarter 2021 operating profit was $140 million, compared to $58 million last year. Excluding Special Items, operating profit margin was a record 17.6%, compared to 9.0% last year. (Please see the attached Non-GAAP Financial Measures tables for a detailed reconciliation of reported results to adjusted measures.)

Summary of Second Quarter 2021 Results from Continuing Operations

	Second Quarter		Change	
(dollars in millions)	2021	2020	$	%
Net sales (GAAP)	$ 796	$ 644	$ 152	24%
Core sales			120	19%
Foreign exchange			32	5%
Operating profit	$ 137	$ 29	$ 108	377%
Operating profit, before special Items (adjusted)*	$ 140	$ 58	$ 82	141%

Operating profit margin	17.2%	4.5%	1,270bps
Operating profit margin, before special items (adjusted)*	17.6%	9.0%	860bps

*Please see the attached Non-GAAP Financial Measures tables

Cash Flow and Other Financial Metrics

Cash provided by operating activities from continuing operations in the first half of 2021 was $198 million, compared to $76 million in the first half of 2020. Capital expenditures in the first half of 2021 were $14 million, compared to $13 million last year. First half 2021 free cash flow (cash provided by operating activities less capital spending) was $184 million, compared to $62 million last year.

During the second quarter, we received cash proceeds of approximately $9 million from the sale of real estate in Phoenix, Arizona. This follows the first quarter receipt of approximately $15 million from the sale of real estate in Long Beach, California. Both of these sales were recorded as cash from investing activities, and consequently, excluded from free cash flow. Since 2017, we have received proceeds from the sale of real estate and other assets facilitated by repositioning activities and active management of excess assets of approximately $56 million.

The Company held cash and short-term investments of $387 million at June 30, 2021, compared to $581 million at December 31, 2020. Total debt was $858 million at June 30, 2021, compared to $1,219 million at December 31, 2020.

Rich Maue, Crane Co. Senior Vice President and Chief Financial Officer, added: “Crane Co’s free cash generation continues to be robust and our balance sheet is extremely strong, with our credit metrics and financial capacity already back above pre-COVID levels. We will continue to drive shareholder return through capital deployment with strict financial discipline and a focus on long-term sustainable value creation.”

Second Quarter 2021 Segment Results

All comparisons detailed in this section refer to operating results for the second quarter 2021 versus the second quarter 2020.

Aerospace & Electronics

	Second Quarter		Change	
(dollars in millions)	2021	2020	$	%
Net sales	$ 158	$ 157	$ —	—%
Operating profit	$ 31	$ 20	$ 11	58%
Operating profit, before special items (adjusted)*	$ 31	$ 24	$ 7	27%
Operating profit margin	19.6%	12.4%		720bps

Operating profit margin, before special items (adjusted)*	19.6%	15.4%	420bps

*Please see the attached Non-GAAP Financial Measures tables

Sales of $158 million were approximately flat compared to the prior year. Operating profit margin improved to 19.6%, from 12.4% last year, primarily reflecting benefits from 2020 cost actions and the non-recurrence of repositioning charges. Excluding Special Items, operating profit margin improved to 19.6%, from 15.4% last year. Aerospace & Electronics' order backlog was $473 million at June 30, 2021, compared to $491 million at December 31, 2020, and compared to $506 million at June 30, 2020.

Process Flow Technologies

	Second Quarter		Change	
(dollars in millions)	2021	2020	$	%
Net sales	$ 311	$ 239	$ 71	30%
Core sales			53	22%
Foreign exchange			19	8%
Operating profit	$ 47	$ 20	$ 26	130%
Operating profit, before special Items (adjusted)*	$ 49	$ 27	$ 22	83%
Operating profit margin	15.0%	8.4%		660bps
Operating profit margin, before special items (adjusted)*	15.7%	11.2%		450bps

*Please see the attached Non-GAAP Financial Measures tables

Sales of $311 million increased $71 million, or 30%, driven by a $53 million, or 22%, increase in core sales, and a $19 million, or 8%, benefit from favorable foreign exchange. Operating profit margin increased to 15.0%, compared to 8.4% last year, primarily reflecting higher volumes and productivity benefits. Excluding Special Items, operating margin increased to 15.7%, compared to 11.2% last year. Process Flow Technologies order backlog was $344 million at June 30, 2021, compared to $313 million at December 31, 2020, and compared to $299 million at June 30, 2020.

Payment & Merchandising Technologies

	Second Quarter		Change	
(dollars in millions)	2021	2020	$	%
Net sales	$ 328	$ 248	$ 81	33%
Net sales, including acquisition-related deferred revenue*	328	250	78	31%
Core sales			68	27%
Foreign exchange			13	5%
Operating profit	$ 78	$ 2	76	NM
Operating profit, before special Items (adjusted)*	$ 78	$ 20	58	285%
Operating profit margin	23.7%	0.8%		2,290bps
Operating profit margin, before special items (adjusted)*	23.7%	8.1%		1,560bps

*Please see the attached Non-GAAP Financial Measures tables

Sales of $328 million increased $81 million, or 33%, driven by a $68 million, or 27%, increase in core sales, and a $13 million, or 5%, benefit from favorable foreign exchange. Operating profit margin increased to 23.7%, from 0.8% last year, primarily reflecting higher volumes, favorable mix, the non-recurrence of repositioning charges, and benefits

from 2020 cost actions. Excluding Special Items, operating profit margin increased to 23.7%, from 8.1% last year.

Updating Full Year Outlook

On May 24, 2021, Crane Co. announced that it had signed an agreement to sell its Engineered Materials segment and that Engineered Materials would be presented as discontinued operations beginning with the second quarter of 2021. Consequently, all components of guidance, both GAAP and adjusted, are provided on a continuing operations basis and exclude all contribution from Engineered Materials, consistent with our most recent prior guidance which was issued on May 24, 2021.

We are raising our 2021 full year GAAP EPS from continuing operations guidance to a range of $6.05-$6.25, compared to the prior range of $5.75-$5.95.

We are raising our 2021 full year EPS from continuing operations guidance excluding Special Items (adjusted) to a range of $5.95-$6.15, compared to the prior range of $5.65-$5.85. Revised guidance now assumes core sales growth of +7% to +9% and an adjusted tax rate of approximately 20.5%. Additional details of our revised guidance are shown in the following table (Please see the attached non-GAAP Financial Measures tables.)

Full Year 2021 Guidance Details (Continuing Operations Basis)*

($ Millions, except per share amounts)	Prior Guidance (5/24/2021)	Updated Guidance
Net sales	$3,015	$3,100
Core sales growth	+5% to +7%	+7% to +9%
Acquisition benefit	~$5	~$5
FX translation	+2.5%	+3.5%
Diluted earnings per share, GAAP	$5.75 to $5.95	$6.05 to $6.25
Diluted earnings per share, non-GAAP (adjusted)	$5.65 to $5.85	$5.95 to $6.15
Operating cash flow	$375 to $405	$390 to $420
Capital expenditures	$75	$70
Free cash flow	$300 to $330	$320 to $350
Corporate expense	$77	$80
Adjusted tax rate	~21.0%	~20.5%
Non-operating expense, net	$31	$31
Full-year diluted share count	~59 million	~59 million

*Please see the attached Non-GAAP Financial Measures tables

Additional Information

Additional information with respect to the Company's asbestos liability and related accounting provisions and cash requirements is set forth in the Current Report on Form 8-K filed with a copy of this press release.

Conference Call

Crane Co. has scheduled a conference call to discuss the second quarter financial results on Tuesday, July 27, 2021 at 10:00 A.M. (Eastern). All interested parties may listen to a live webcast of the call at **http://www.craneco.com**. An

archived webcast will also be available to replay this conference call directly from the Company's website under Investors, Events & Presentations. Slides that accompany the conference call will be available on the Company's website.

Crane Co. is a diversified manufacturer of highly engineered industrial products. Founded in 1855, Crane Co. provides products and solutions to customers in the chemicals, oil & gas, power, automated payment solutions, banknote design and production and aerospace & defense markets, along with a wide range of general industrial and consumer related end markets. The Company has four business segments: Aerospace & Electronics, Process Flow Technologies, Payment & Merchandising Technologies, and Engineered Materials. On May 24, 2021, Crane announced that it had signed an agreement to divest its Engineered Materials segment; that sale is pending, subject to customary closing conditions and regulatory approval. Crane Co. has approximately 11,000 employees in the Americas, Europe, the Middle East, Asia and Australia. Crane Co. is traded on the New York Stock Exchange (NYSE:CR). For more information, visit **www.craneco.com**.

This press release may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements are based on the management's current beliefs, expectations, plans, assumptions and objectives regarding Crane Co.'s future financial performance and are subject to significant risks and uncertainties. Any discussions contained in this press release, except to the extent that they contain historical facts, are forward-looking and accordingly involve estimates, assumptions, judgments and uncertainties. There are a number of factors, including risks and uncertainties related to the ongoing COVID-19 pandemic, that could cause actual results or outcomes to differ materially from those expressed or implied in these forward-looking statements. Such factors also include, among others: uncertainties regarding the extent and duration of the impact of the COVID-19 pandemic on many aspects of our business, operations and financial performance; changes in economic, financial and end-market conditions in the markets in which we operate; fluctuations in raw material prices; the financial condition of our customers and suppliers; economic, social and political instability, currency fluctuation and other risks of doing business outside of the United States; competitive pressures, including the need for technology improvement, successful new product development and introduction and any inability to pass increased costs of raw materials to customers; our ability to value and successfully integrate acquisitions, to realize synergies and opportunities for growth and innovation, and to attract and retain highly qualified personnel and key management; the risks that any regulatory approval that may be required for the Engineered Materials divestiture is delayed or is not obtained, that the Engineered Materials divestiture does not close or that the related transaction agreement is terminated, or that the benefits expected from the Engineered Materials divestiture will not be realized or will not be realized within the expected time period; a reduction in congressional appropriations that affect defense spending and our ability to predict the timing and award of substantial contracts in our banknote business; adverse effects on our business and results of operations, as a whole, as a result of increases in asbestos claims or the cost of defending and settling such claims; adverse effects as a result of environmental

remediation activities, costs, liabilities and related claims; investment performance of our pension plan assets and fluctuations in interest rates, which may affect the amount and timing of future pension plan contributions; and other risks noted in reports that we file with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and subsequent reports filed with the Securities and Exchange Commission. Crane Co. does not undertake any obligation to update or revise any forward-looking statements.

(Financial Tables Follow)

CRANE CO.
Income Statement Data
(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net sales:				
Aerospace & Electronics	$ 157.5	$ 157.4	$ 311.5	$ 350.3
Process Flow Technologies	310.7	239.3	598.8	495.9
Payment & Merchandising Technologies	328.2	247.6	665.6	544.9
Total net sales	$ 796.4	$ 644.3	$ 1,575.9	$ 1,391.1
Operating profit:				
Aerospace & Electronics	$ 30.8	$ 19.5	$ 56.8	$ 63.3
Process Flow Technologies	46.5	20.2	96.6	48.2
Payment & Merchandising Technologies	77.9	2.0	163.7	28.4
Corporate	(18.3)	(13.0)	(40.2)	(29.5)
Total operating profit	$ 136.9	$ 28.7	$ 276.9	$ 110.4
Interest income	$ 0.4	$ 0.3	$ 0.9	$ 0.7
Interest expense	(11.4)	(14.4)	(25.0)	(26.9)
Miscellaneous, net	9.7	2.4	13.6	6.2
Income from continuing operations before income taxes	135.6	17.0	266.4	90.4
Provision for income taxes	24.9	3.6	52.3	19.3
Net income from continuing operations attributable to common shareholders	110.7	13.4	214.1	71.1
Income from discontinued operations, net of tax [1]	27.6	1.4	32.6	6.5
Net income attributable to common shareholders	$ 138.3	$ 14.8	$ 246.7	$ 77.6
Earnings per diluted share from continuing operations	$ 1.87	$ 0.23	$ 3.62	$ 1.20
Earnings per diluted share from discontinued operations	0.46	0.02	0.55	0.11
Earnings per diluted share	$ 2.33	$ 0.25	$ 4.17	$ 1.31
Average diluted shares outstanding	59.3	58.5	59.1	59.1
Average basic shares outstanding	58.5	58.0	58.4	58.5
Supplemental data:				
Cost of sales	$ 476.8	$ 425.1	$ 947.3	$ 899.4
Selling, general & administrative	182.7	190.5	351.7	381.3
Acquisition-related and integration charges [2]	—	2.3	—	7.5
Disposition costs [2]	0.8	—	0.8	—
Repositioning related charges (gains), net [2]	2.2	24.5	(9.5)	24.6
Depreciation and amortization [2]	30.1	32.1	60.8	61.1
Stock-based compensation expense [2]	6.1	4.5	12.3	10.2

[1] Includes $21.5 million of deferred tax benefit associated with the pending disposition of the Engineered Materials segment.
[2] Amounts included within Cost of sales and/or Selling, general & administrative costs.

CRANE CO.

Condensed Balance Sheets
(in millions)

	June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 386.7	$ 551.0
Accounts receivable, net	458.6	423.9
Current insurance receivable - asbestos	14.4	14.4
Inventories, net	456.9	429.7
Other current assets	129.8	137.3
Current assets held for sale	225.9	17.4
Total current assets	1,672.3	1,573.7
Property, plant and equipment, net	538.2	573.7
Long-term insurance receivable - asbestos	65.8	72.5
Other assets	720.9	757.5
Goodwill	1,426.0	1,437.7
Long-term assets held for sale	—	199.9
Total assets	$ 4,423.2	$ 4,615.0
Liabilities and equity		
Current liabilities		
Short-term borrowings	$ 15.0	$ 375.7
Accounts payable	242.2	198.9
Current asbestos liability	66.5	66.5
Accrued liabilities	388.4	388.0
Income taxes	8.8	0.1
Current liabilities held for sale	37.9	27.4
Total current liabilities	758.8	1,056.6
Long-term debt	843.4	842.9
Long-term deferred tax liability	54.1	53.6
Long-term asbestos liability	576.7	603.6
Other liabilities	462.1	501.0
Long-term liabilities held for sale	—	26.2
Total equity	1,728.1	1,531.1
Total liabilities and equity	$ 4,423.2	$ 4,615.0

CRANE CO.
Condensed Statements of Cash Flows
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating activities from continuing operations:				
Net income from continuing operations attributable to common shareholders	$ 110.7	$ 13.4	$ 214.1	$ 71.1
Gain on sale of property	(5.7)	—	(18.5)	—
Depreciation and amortization	30.1	32.1	60.8	61.1
Stock-based compensation expense	6.1	4.5	12.4	10.2
Defined benefit plans and postretirement credit	(2.5)	(1.0)	(4.2)	(2.7)
Deferred income taxes	(0.2)	1.3	0.1	7.5
Cash provided by (used for) operating working capital	25.9	67.8	(25.7)	(46.5)
Defined benefit plans and postretirement contributions	(1.4)	(0.8)	(17.2)	(2.3)
Environmental payments, net of reimbursements	(2.2)	(1.0)	(3.6)	(3.7)
Asbestos related payments, net of insurance recoveries	(9.4)	(7.4)	(20.2)	(19.2)
Other	(1.5)	(0.9)	(0.5)	0.1
Total provided by operating activities from continuing operations	$ 149.9	$ 108.0	$ 197.5	$ 75.6
Investing activities from continuing operations:				
Payments for acquisitions, net of cash acquired	$ —	$ (0.3)	$ —	$ (172.3)
Proceeds from disposition of capital assets	8.8	0.3	23.4	2.7
Capital expenditures	(9.2)	(5.6)	(13.9)	(13.3)
Purchase of marketable securities	—	—	(10.0)	—
Proceeds from sale of marketable securities	10.0	—	40.0	—
Total provided by (used for) investing activities from continuing operations	$ 9.6	$ (5.6)	$ 39.5	$ (182.9)
Financing activities from continuing operations:				
Dividends paid	$ (25.2)	$ (24.9)	$ (50.2)	$ (50.4)
Reacquisition of shares on open market	—	—	—	(70.0)
Stock options exercised, net of shares reacquired	(2.0)	0.5	5.2	0.6
Debt issuance costs	—	(1.2)	—	(1.2)
Proceeds from issuance of commercial paper with maturities greater than 90 days	—	81.3	—	251.3

Repayments of commercial paper with maturities greater than 90 days	—	(96.5)	(27.1)	(96.5)
Net proceeds (repayments) from issuance of commercial paper with maturities of 90 days or less	15.0	(77.3)	15.0	(62.8)
Proceeds from revolving credit facility	—	32.0	—	77.2
Repayments of revolving credit facility	—	(77.2)	—	(77.2)
Proceeds from term loan	—	343.9	—	343.9
Repayment of term loan	(348.1)	—	(348.1)	—
Total (used for) provided by financing activities from continuing operations	$ (360.3)	$ 180.6	$ (405.2)	$ 314.9
Discontinued operations:				
Total provided by operating activities	$ 6.6	$ 4.2	$ 9.2	$ 1.0
Total used for investing activities	(0.5)	(0.1)	(0.8)	(0.2)
Increase in cash and cash equivalents from discontinued operations	6.1	4.1	8.4	0.8
Effect of exchange rate on cash and cash equivalents	3.0	2.2	(4.5)	(10.2)
(Decrease) increase in cash and cash equivalents	(191.7)	289.3	(164.3)	198.2
Cash and cash equivalents at beginning of period	578.4	302.8	551.0	393.9
Cash and cash equivalents at end of period	$ 386.7	$ 592.1	$ 386.7	$ 592.1

CRANE CO.
Order Backlog
(in millions)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Aerospace & Electronics	$ 472.9	$ 481.6	$ 491.2	$ 498.1	$ 505.7
Process Flow Technologies	344.1	325.4	313.4	304.8	298.6
Payment & Merchandising Technologies	374.7	337.0	347.6	270.1	285.5
Total backlog	$ 1,191.7	$ 1,144.0	$ 1,152.2	$ 1,073.0	$ 1,089.8

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

	Three Months Ended June 30,				
	2021		2020		% Change
	$	Per Share	$	Per Share	(on $)
Net sales (GAAP)	$796.4		$644.3		23.6%
Acquisition-related deferred revenue[1]	—		2.6		
Net sales before special items (adjusted)	$796.4		$646.9		23.1%
Operating profit (GAAP)	$136.9		$ 28.7		377.0%
Operating profit margin (GAAP)	17.2%		4.5%		
Special items impacting operating profit:					
Acquisition-related deferred revenue [1]	—		2.6		
Acquisition-related and integration charges	—		2.3		
Disposition costs	0.8		—		
Repositioning related charges, net	2.2		24.5		
Operating profit before special items (adjusted)	$139.9		$ 58.1		140.8%
Operating profit margin before special items (adjusted)	17.6%		9.0%		
Net income from continuing operations attributable to common shareholders (GAAP)	$110.7	$ 1.87	$ 13.4	$ 0.23	726.1%
Special items, net of tax, impacting net income from continuing operations attributable to common shareholders:					
Acquisition-related deferred revenue [1]	—	—	1.9	0.03	
Acquisition-related and integration charges	—	—	1.8	0.03	
Disposition costs	0.6	0.01	—	—	
Repositioning related charges, net	1.7	0.03	18.2	0.31	
Gain on sale of property	(4.5)	(0.08)	—	—	
Net income from continuing operations, net of tax, attributable to common shareholders before special items (adjusted)	$108.5	$ 1.83	$ 35.3	$ 0.60	207.4%
Special items impacting provision for income taxes from continuing operations:					

Provision for income taxes (GAAP)	$ 24.9	$ 3.6
Tax effect of acquisition-related deferred revenue [1]	—	0.7
Tax effect of acquisition-related and integration charges	—	0.5
Tax effect of disposition costs	0.2	—
Tax effect of repositioning related charges, net	0.5	6.3
Tax effect of gain on sale of property	(1.2)	—
Provision for income taxes before special items (adjusted)	$ 24.4	$ 11.1

[1] Acquisition-related revenue that would otherwise be recognized but for the purchase accounting treatment of acquisitions.
Totals may not sum due to rounding

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

	Six Months Ended June 30,				
	2021		2020		% Change
	$	Per Share	$	Per Share	(on $)
Net sales (GAAP)	$1,575.9		$1,391.1		13.3%
Acquisition-related deferred revenue[1]	—		5.1		
Net sales before special items (adjusted)	$1,575.9		$1,396.2		12.9%
Operating profit (GAAP)	$ 276.9		$ 110.4		150.8%
Operating profit margin (GAAP)	17.6%		7.9%		
Special items impacting operating profit:					
Acquisition-related deferred revenue [1]	$ —		$ 5.1		
Acquisition-related and integration charges	—		7.5		
Disposition costs	0.8		—		
Repositioning related (gains) charges, net	(9.5)		24.6		
Operating profit before special items (adjusted)	$ 268.2		$ 147.6		81.7%
Operating profit margin before special items (adjusted)	17.0%		10.6%		
Net income from continuing operations attributable to common shareholders (GAAP)	$ 214.1	$ 3.62	$ 71.1	$ 1.20	201.1%
Special items, net of tax, impacting net income from continuing operations attributable to common shareholders:					
Acquisition-related deferred revenue [1]	$ —	$ —	$ 3.7	$ 0.06	
Acquisition-related and integration charges	—	—	5.7	0.10	
Disposition costs	0.6	0.01	—	—	
Repositioning related (gains) charges, net	(9.1)	(0.15)	18.4	0.31	
Gain on sale of property	(4.5)	(0.08)	—	—	
Net income from continuing operations, net of tax, attributable to common shareholders before special items (adjusted)	$ 201.1	$ 3.40	$ 98.9	$ 1.67	103.3%
Special items impacting provision for income taxes from continuing operations:					
Provision for income taxes (GAAP)	$ 52.3		$ 19.3		
Tax effect of acquisition-related deferred revenue [1]	—		1.3		
Tax effect of acquisition-related and integration charges	—		1.8		
Tax effect of disposition costs	0.2		—		
Tax effect of repositioning related (gains) charges, net	(0.5)		6.2		
Tax effect of gain on sale of property	(1.2)		—		
Provision for income taxes before special items (adjusted)	$ 50.8		$ 28.6		

[1] Acquisition-related revenue that would otherwise be recognized but for the purchase accounting treatment of acquisitions.
Totals may not sum due to rounding

CRANE CO.
Non-GAAP Financial Measures by Segment
(in millions)

	Payment &

Three Months Ended June 30, 2021	Aerospace & Electronics	Process Flow Technologies	Payment & Merchandising Technologies	Corporate	Total Company
Net sales (GAAP)	$ 157.5	$ 310.7	$ 328.2	$ —	$ 796.4
Operating profit (GAAP)	$ 30.8	$ 46.5	$ 77.9	$ (18.3)	$ 136.9
Operating profit margin (GAAP)	19.6%	15.0%	23.7%		17.2%
Special items impacting operating profit:					
Disposition costs	$ —	$ —	$ —	$ 0.8	$ 0.8
Repositioning related charges (gains), net	—	2.4	(0.2)	—	2.2
Operating profit before special items (adjusted)	$ 30.8	$ 48.9	$ 77.7	$ (17.5)	$ 139.9
Operating profit margin before special items (adjusted)	19.6%	15.7%	23.7%		17.6%

Three Months Ended June 30, 2020					
Net sales (GAAP)	$ 157.4	$ 239.3	$ 247.6	$ —	$ 644.3
Acquisition-related deferred revenue[1]	—	—	2.6	—	2.6
Net sales before special items (adjusted)	$ 157.4	$ 239.3	$ 250.2	$ —	$ 646.9
Operating profit (GAAP)	$ 19.5	$ 20.2	$ 2.0	$ (13.0)	$ 28.7
Operating profit margin (GAAP)	12.4%	8.4%	0.8%		4.5%
Special items impacting operating profit:					
Acquisition-related deferred revenue[1]	$ —	$ —	$ 2.6	$ —	$ 2.6
Acquisition-related and integration charges	—	1.3	1.0	—	2.3
Repositioning related charges, net	4.7	5.2	14.6	—	24.5
Operating profit before special items (adjusted)	$ 24.2	$ 26.7	$ 20.2	$ (13.0)	$ 58.1
Operating profit margin before special items (adjusted)	15.4%	11.2%	8.1%		9.0%

[1] Acquisition-related revenue that would otherwise be recognized but for the purchase accounting treatment of acquisitions.
Totals may not sum due to rounding

CRANE CO.
Non-GAAP Financial Measures by Segment
(in millions)

Six Months Ended June 30, 2021	Aerospace & Electronics	Process Flow Technologies	Payment & Merchandising Technologies	Corporate	Total Company
Net sales (GAAP)	$ 311.5	$ 598.8	$ 665.6	$ —	$ 1,575.9
Operating profit (GAAP)	$ 56.8	$ 96.6	$ 163.7	$ (40.2)	$ 276.9
Operating profit margin (GAAP)	18.2%	16.1%	24.6%		17.6%
Special items impacting operating profit:					
Disposition costs	$ —	$ —	$ —	$ 0.8	$ 0.8
Repositioning related gains, net	—	(8.8)	(0.7)	—	(9.5)
Operating profit before special items (adjusted)	$ 56.8	$ 87.8	$ 163.0	$ (39.4)	$ 268.2
Operating profit margin before special items (adjusted)	18.2%	14.7%	24.5%		17.0%

Six Months Ended June 30, 2020					
Net sales (GAAP)	$ 350.3	$ 495.9	$ 544.9	$ —	$ 1,391.1
Acquisition-related deferred revenue[1]	—	—	5.1	—	5.1
Net sales before special items (adjusted)	$ 350.3	$ 495.9	$ 550.0	$ —	$ 1,396.2
Operating profit (GAAP)	$ 63.3	$ 48.2	$ 28.4	$ (29.5)	$ 110.4
Operating profit margin (GAAP)	18.1%	9.7%	5.2%		7.9%

Special items impacting operating profit:					
Acquisition-related deferred revenue[1]	$ —	$ —	$ 5.1	$ —	$ 5.1
Acquisition-related and integration charges	—	3.2	4.1	0.2	7.5
Repositioning related charges, net	4.7	6.6	13.3	—	24.6
Operating profit before special items (adjusted)	$ 68.0	$ 58.0	$ 50.9	$ (29.3)	$ 147.6
Operating profit margin before special items (adjusted)	19.4%	11.7%	9.4%		10.6%

[1] Acquisition-related revenue that would otherwise be recognized but for the purchase accounting treatment of acquisitions.
Totals may not sum due to rounding

CRANE CO.
Full Year Guidance
(in millions, except per share data)

2021 Earnings from Continuing Operations per Share Guidance	Low	High
Earnings from continuing operations per diluted share (GAAP)	$ 6.05	$ 6.25
Special items impacting earnings per share	(0.10)	(0.10)
Earnings from continuing operations per diluted share before special items (adjusted)	$ 5.95	$ 6.15

	Three Months Ended June 30,		Six Months Ended June 30,		2021 Guidance	
Cash Flow Items	2021	2020	2021	2020	Low	High
Cash provided by operating activities before asbestos-related payments	$ 159.3	$ 115.4	$ 217.7	$ 94.8	$ 435.0	$ 465.0
Asbestos-related payments, net of insurance recoveries	(9.4)	(7.4)	(20.2)	(19.2)	(45.0)	(45.0)
Cash provided by operating activities	149.9	108.0	197.5	75.6	390.0	420.0
Less: Capital expenditures	(9.2)	(5.6)	(13.9)	(13.3)	(70.0)	(70.0)
Free cash flow	$ 140.7	$ 102.4	$ 183.6	$ 62.3	$ 320.0	$ 350.0

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Certain non-GAAP measures are provided in this presentation. 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. Specifically, management believes that, when considered together with reported amounts, these non-GAAP measures are useful to investors and management in understanding ongoing operations and by providing a clearer view of the underlying trends of the business. In addition, Free Cash Flow provides supplemental information to assist investors and management 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. Management uses non-GAAP financial measures in evaluating the Company's core operating results and financial performance. Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed as a supplement to, and not as a substitute for or superior to, the Company's reported results prepared in accordance with GAAP. Reconciliations of the Company's non-GAAP financial measures to the most directly comparable GAAP results are included in the tables at the end of this press release.

Jason D. Feldman

Vice President, Investor Relations

203-363-7329

www.craneco.com

Source: Crane Co.