

**CRANE**

**CRANE Q3 2023**

**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: statements regarding Crane’s portfolio composition and its relationship with Crane NXT, Co. following the business separation; 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.*

*Words such as “anticipate(s),” “expect(s),” “intend(s),” “believe(s),” “plan(s),” “may,” “will,” “would,” “could,” “should,” “seek(s),” and similar expressions, or the negative of these terms, are intended to identify 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; the continuing effects from the COVID-19 pandemic on our business and the global and U.S. economies generally; 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, Process Flow Technologies and Engineered Materials; the ability and willingness of Crane 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, 2022 and the other documents Crane and its subsidiaries file from time to time with the SEC. Readers should also carefully review the “Risk Factors” section of the information statement filed as an exhibit to Crane’s registration statement on Form 10. 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.*

*These forward-looking statements reflect management’s judgment as of this date, and Crane assumes no (and disclaims any) obligation to revise or update them to reflect future events or circumstances.*

*We make no representations or warranties as to the accuracy of any projections, statements or information contained in this document. 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 press release 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.*

# CRANE

## Q3 2023 OVERVIEW



# TWO EXTREMELY WELL POSITIONED GROWTH PLATFORMS

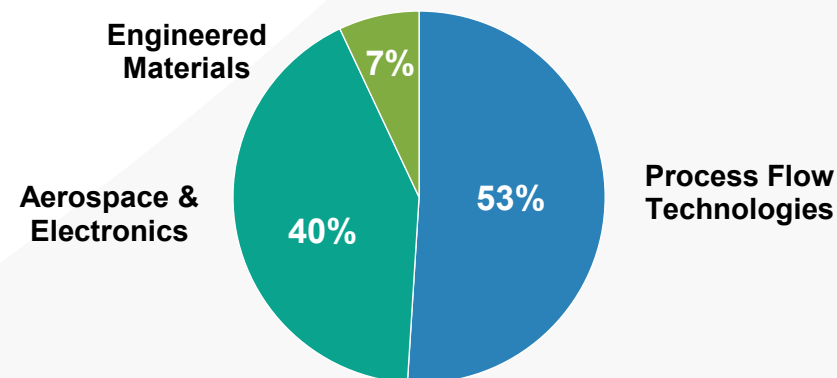
## Crane At-a-Glance

(\$ millions)	2023G
Sales	\$2,072
Adjusted EBITDA*	\$366
<i>% of Sales</i>	17.6%
Adjusted Operating Profit*	\$325
<i>% of Sales</i>	15.7%
Depreciation & Amortization	\$41

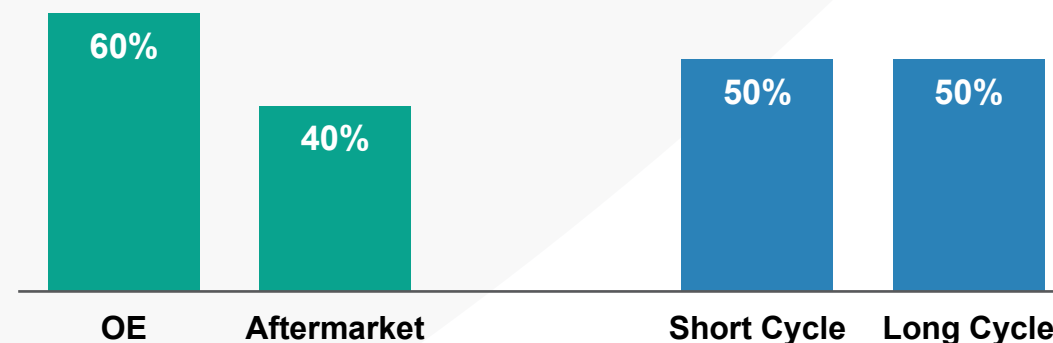
### Additional Financial Details

- Annualized corporate expense ~\$72 million at separation and then declining as a percentage of sales thereafter
- Expected annual capex 2.0%-2.5% of sales (~\$45m)

### 2023G Adjusted Operating Profit\*



### Strategic Growth Platform Business Mix

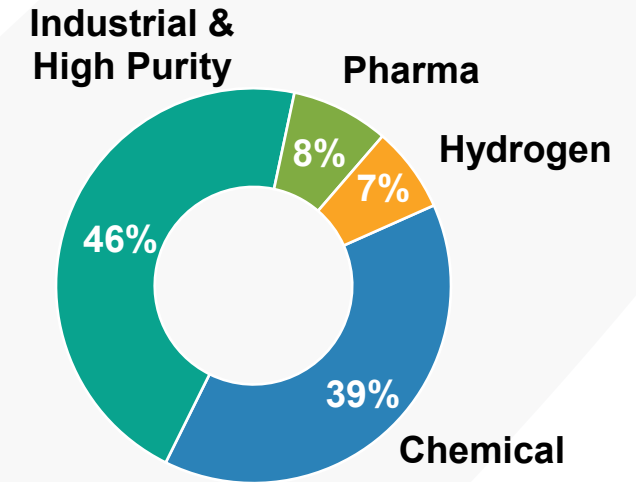


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# ACQUISITION OF BAUM LINED PIPING GMBH

- **Purchase price:** EUR 86.5M on a cash-free and debt-free basis
- **2023 forecast:** Sales ~EUR 55M (up 10% YoY) / Adj. EBITDA ~EUR 9M\*
- **Year 3 (2026) forecast:** ROIC >10.5% / ~\$0.15 Cash EPS accretion\*
- **Principle Locations:** Germany, United States, China
- **Strong strategic rationale:**
  - Complementary to our Resistoflex business by expanding presence in Europe, broadening product portfolio, and increasing installed base
  - Expands addressable markets in Hydrogen, High Purity and General Industrial markets

By End Market (2024E)



# HIGHLIGHTS FROM THIRD QUARTER 2023 RESULTS

\$ Millions except per-share amounts	GAAP			Adjusted*		
	Q3 2023	Q3 2022	Change	Q3 2023	Q3 2022	Change
<b>Sales</b>	\$530	\$480	10%	\$530	\$480	10%
<b>Operating Profit</b>	\$76	(\$117)	FAV	\$81	\$57	+42%
<b>Operating Margin</b>	14.4%	(24.4%)	FAV	15.2%	11.8%	+340 bps
<b>Earnings (loss) per Share (Continuing Operations)</b>	\$0.96	(\$2.16)	FAV	\$1.03	NM	NM
<b>Adjusted EBITDA</b>	NA	NA	NA	\$90	NM	NM

## Additional Details

	Q3 2023
Core Growth	+9.3%
FX Translation	+1.1%
<b>Total Sales Change</b>	<b>+10.4%</b>

	Q3 2023
<b>Diluted EPS: GAAP (cont. ops.)</b>	<b>\$0.96</b>
Special Items, net	\$0.07
<b>Diluted EPS: Adjusted (cont. ops.)</b>	<b>\$1.03</b>

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

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# STRONG CORE SALES GROWTH OUTLOOK

## Aerospace & Electronics

- Cyclical recovery of commercial A&E markets
- Content already won on large defense programs ramping over next few years
- Sole-sourced content on all major aerospace platforms
- Strong alignment with secular trends, most notably electrification

**7%-9% Core Sales Growth**

## Process Flow Technologies

- Accelerating NPD with new product vitality at record levels
- Secular trends supporting continued growth in Chemical, Pharma, Wastewater and Industrial Automation markets
- Shifting portfolio with ~60% in high-growth end markets

**3%-5% Core Sales Growth**

Poised for accelerating growth given consistent, substantial investment in new products, technology and breakthrough innovation

# SUBSTANTIAL GROWTH OPPORTUNITIES

- Fragmented end markets with robust M&A pipeline
- Strong balance sheet to support organic and inorganic strategic growth objectives, while providing a dividend in-line with peers
- ~\$1 Billion of M&A Capacity available today, growing to ~\$4 Billion through 2028



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**ADDITIONAL FINANCIAL  
DETAILS**



# AEROSPACE & ELECTRONICS

\$ Millions	GAAP		
	Q3 2023	Q3 2022	Change
Sales	\$207	\$167	+24%
Operating Profit	\$40	\$28	+43%
Operating Margin	19.4%	16.9%	+250 bps
Backlog	\$678	\$592	+15%

## Additional Details

	Q3 2023
OE Sales	+16%
Aftermarket Sales	+44%
<b>OE/Aftermarket Mix</b>	<b>68% / 32%</b>

	Q3 2023
Core Growth	+23.6%
FX Translation	+0.3%
<b>Total Sales Change</b>	<b>+23.9%</b>

# PROCESS FLOW TECHNOLOGIES

\$ Millions	GAAP			Adjusted*		
	Q3 2023	Q3 2022	Change	Q3 2023	Q3 2022	Change
Sales	\$267	\$250	+7%	\$267	\$250	+7%
Operating Profit	\$51	\$41	+24%	\$51	\$42	+22%
Operating Margin	19.2%	16.5%	+270 bps	19.2%	16.8%	+240 bps
Backlog	\$353	\$354	(0%)	\$353	\$354	(0%)

## Additional Details

- On a year-over-year basis, core FX-neutral backlog decreased (2%) and core FX-neutral orders increased slightly.
- On a sequential quarter-over-quarter basis, FX-neutral backlog increased +1% and FX-neutral orders increased +7%.

	Q3 2023
Core Growth	+4.8%
FX Translation	+1.9%
<b>Total Sales Change</b>	<b>+6.7%</b>

# ENGINEERED MATERIALS

\$ Millions	GAAP			Adjusted*		
	Q3 2023	Q3 2022	Change	Q3 2023	Q3 2022	Change
Sales	\$56	\$63	(11%)	\$56	\$63	(11%)
Operating Profit	\$8	\$7	+15%	\$8	\$7	+13%
Operating Margin	13.7%	10.7%	+300 bps	13.7%	10.8%	+290 bps

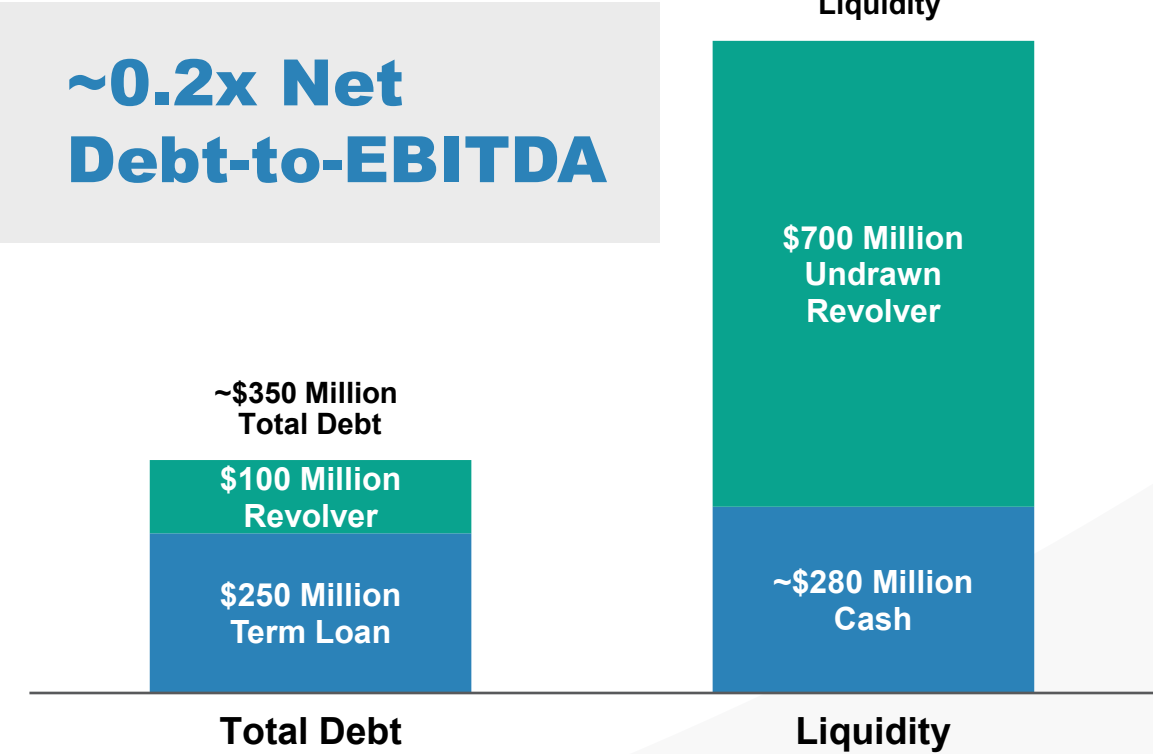
## Additional Details

	Q3 2023
Recreational Vehicle Sales	(21%)
Building Products Sales	(5%)
Transportation Sales	+2%

	Q3 2023
Core Growth	(10.5%)
FX Translation	-
<b>Total Sales Change</b>	<b>(10.5%)</b>

# CRANE COMPANY POST-SEPARATION CAPITAL STRUCTURE

As of October 5, 2023: (post-Baum acquisition)



## Additional Details

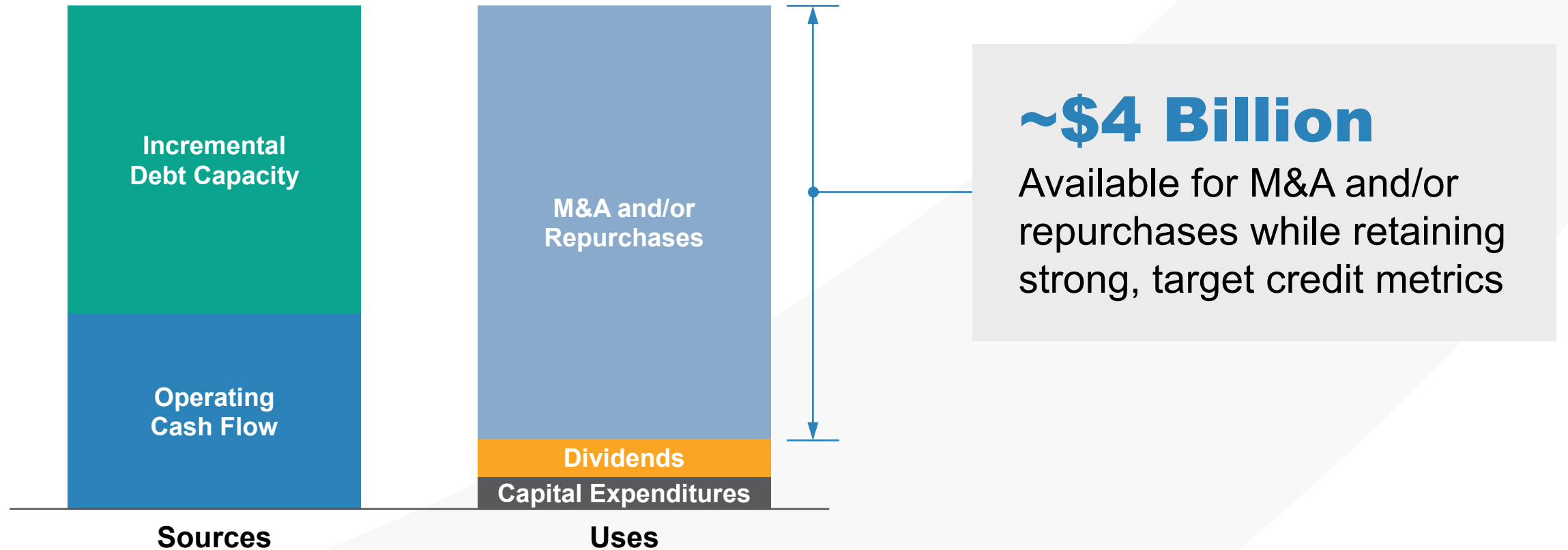
- Increased revolver capacity to \$800 million, from \$500 million, to provide additional flexibility for M&A
- Drew \$100 million on revolver to fund Baum acquisition
- Post-acquisition Net Debt (total debt less total cash) of approximately \$70 million
- 2023 Guidance pro forma EBITDA of ~\$366 million implies net Debt-to-EBITDA of ~0.2x
- Interest rate on Term Loan and Revolver variable rate (~6.9% in current market conditions)
- Term loan and revolver provide flexibility for early repayment from strong underlying free cash flow

Expected M&A capacity: \$1+ billion today / ~\$4 billion through 2028



# CAPITAL DEPLOYMENT POTENTIAL

~\$4 Billion Available from 2023-2028



Substantial additional value creation potential from flexible balance sheet

# DISCIPLINED CAPITAL ALLOCATION STRATEGY

Maintain Strong Credit Metrics and Flexible Balance Sheet While Funding:



## Internal Investments to Drive Organic Growth

- Capital expenditures
- Research & development
- Sales & marketing



## Acquisitions to Enhance Growth

- Pursuing bolt-on transactions and adjacencies across both strategic growth platforms

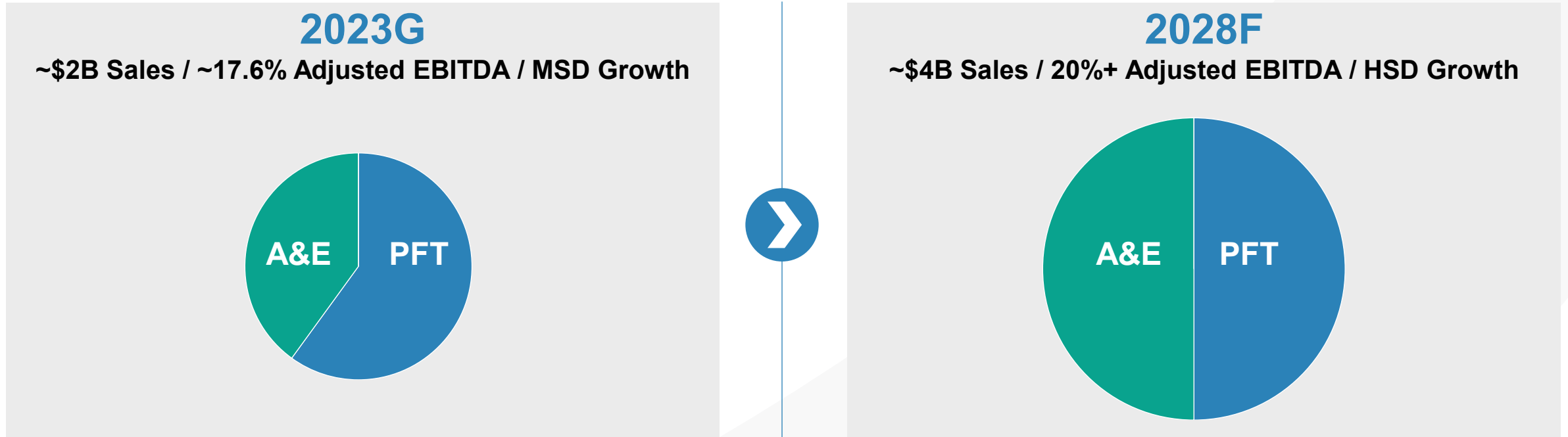


## Competitive Returns to Shareholders

- Target dividend payout of ~20%
  - Initial post-separation dividend of \$0.72/sh. annually (\$0.18/sh. quarterly)
- Opportunistic repurchases

Target long-term net-debt-to-EBITDA of ~2x-3x

# LONG-TERM VISION FOR STRATEGIC GROWTH PLATFORMS



- Focus on high-return acquisitions that create value for shareholders and improve the strength of our strategic growth platforms
  - ~\$4 Billion of capital available through 2028
- Scale and business strength create optionality for future strategic portfolio decisions
- Disciplined approach with strict strategic and financial criteria
  - Have historically repurchased shares when M&A not actionable and/or attractive

# CRANE COMPANY REVISED OPERATIONAL GUIDANCE

(\$ millions)	GAAP	Adjusted	Adjusted Ex-Supply	Prior (7/25/23)	Revised (10/23/23)	Revised 2023G vs. 2022A Adj. ex-Supply			
						2022A	2022A*	2022A**	2023G*
<b>Sales</b>	<b>2022A</b>	<b>2022A*</b>	<b>2022A**</b>	<b>2023G*</b>	<b>2023G*</b>	<b>Change</b>	<b>FX</b>	<b>M&amp;A</b>	<b>Core</b>
Aerospace & Electronics	667	667	667	761	775	16%	--	--	16%
Process Flow Technologies	1,109	1,109	1,004	1,064	1,075	7%	--	1%	6%
Engineered Materials	258	258	258	222	222	(14%)	--	--	(14%)
<b>Total Segment</b>	<b>2,035</b>	<b>2,035</b>	<b>1,929</b>	<b>2,047</b>	<b>2,072</b>	<b>7.5%</b>	<b>--</b>	<b>0.5%</b>	<b>+6%-8%</b>
						<b>Leverage***</b>			
<b>Operating Profit</b>						<b>Change</b>	<b>Total</b>	<b>Core</b>	
Aerospace & Electronics	120	122	122	154	157	29%	33%	33%	
Process Flow Technologies	168	179	162	197	209	29%	66%	78%	
Engineered Materials	33	37	37	28	31	(15%)	(16%)	(16%)	
<b>Total Segment</b>	<b>321</b>	<b>338</b>	<b>320</b>	<b>379</b>	<b>397</b>	<b>24%</b>	<b>53%</b>	<b>58%</b>	
						<b>Change</b>			
<b>Operating Margin</b>									
Aerospace & Electronics	18.0%	18.3%	18.3%	20.3%	20.3%	200 bps			
Process Flow Technologies	15.2%	16.2%	16.1%	18.5%	19.4%	330 bps			
Engineered Materials	12.6%	14.2%	14.2%	12.2%	14.0%	(20 bps)			
<b>Total Segment</b>	<b>15.8%</b>	<b>16.6%</b>	<b>16.6%</b>	<b>18.5%</b>	<b>19.1%</b>	<b>250 bps</b>			

## Additional Details

- Aerospace & Electronics recovery continues, but with limited / gradual improvement in supply chain; core business positioned to outgrow market
- Process Flow Technologies delivering on strong backlog with expected deceleration in short-cycle markets and long-cycle orders; strong price / cost discipline and share gains continue
- Expect strong operating leverage in 2023 and beyond
- Well positioned to ramp output if macroeconomic conditions and supply chain permit

Strong operating leverage with operating profit growing ~3x core sales growth

\* Excludes Special Items. Please see non-GAAP Explanation.

\*\* Excludes Special Items described in non-GAAP Explanation, and to better facilitate year-over-year comparability, further excludes all contribution from Crane Supply which was divested in May 2022.

\*\*\* "Total Leverage" defined as the change in Adjusted Operating Profit divided by the change in Sales. "Core Leverage" defined as the change in Adjusted Operating Profit divided by the change in core sales. Core sales is defined as the change in sales excluding the impact of foreign currency translation, acquisitions, and divestitures.

# CRANE COMPANY REVISED EPS GUIDANCE

(\$ millions, except per-share amounts)		
Guidance	Prior 2023G*	Revised 2023G*
Segment Operating Profit	\$379	\$397
Corporate	(\$70)	(\$72)
Adjusted Operating Profit	\$309	\$325
<i>Adjusted Operating Profit Margin</i>	15.1%	15.7%
Interest and Other	(\$15)	(\$16)
Pretax Income	\$294	\$309
Tax Rate	23.0%	23.0%
Tax	(\$68)	(\$71)
Adjusted Net Income	\$226	\$238
Diluted Shares	57.3	57.5
<b>Adjusted EPS - Midpoint</b>	<b>\$3.95</b>	<b>\$4.125</b>
<b>Adjusted EBITDA</b>		
Net Income	\$226	\$238
Tax	\$68	\$71
Interest and Other	\$15	\$16
Depreciation and Amortization	\$41	\$41
<b>Adjusted EBITDA</b>	<b>\$350</b>	<b>\$366</b>
<i>Adjusted EBITDA Margin</i>	17.1%	17.6%

## Additional Details

- Guidance items for 2023 below are based on annualized, post-separation run-rates
  - Expect annualized post-separation corporate costs of ~\$72 million in 2023, and declining as a percentage of sales thereafter
  - Expect 2023 annualized net non-operating expense of ~\$16 million
  - Expect post-separation adjusted tax rate of ~23%
  - Expect 2023 diluted shares of ~57.5 million
  - Expect average free cash flow conversion [(Operating Cash Flow less Capital Expenditures) / Adjusted Net Income] of ~90%-100% after adjusting for separation related cash items
- 2023 (non-segment income and expenses on an annualized, post-separation basis) Adjusted EPS guidance of \$4.05-\$4.20

Expect 2023 pro forma Crane Company EPS of ~\$4.05-\$4.20

# NON-GAAP INFORMATION

OCTOBER 23, 2023

# NON-GAAP EXPLANATION (1/2)

Crane Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). This press release 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 post-separation 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 post-separation 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 charges.
- “Adjusted EPS” is calculated as Adjusted Net Income divided by post-separation diluted shares.
- “Adjusted Operating Profit” is calculated as Operating Profit before Special Items which include repositioning related 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.
- “Adjusted EBITDA” is calculated as earnings before interest, miscellaneous income, net, tax, depreciation and amortization expenses, before Special Items which include transaction related expenses such as tax charges, professional fees and incremental corporate costs related to the proposed separation and other potential corporate transactions.
- “Adjusted EBITDA margin” is calculated as Adjusted EBITDA divided by sales.
- “Total Leverage” is calculated as the change in sales divided by the change in Adjusted Operating Profit.
- “Core Leverage” is calculated as the change in core sales divided by the change in Adjusted Operating Profit. The change in core sales is defined as the change in sales after excluding the impacts from foreign exchange, acquisitions, and divestitures.
- “ROIC,” or “Return on Invested Capital” is calculated as Net Operating Profit After Tax (tax-effected operating profit before intangible amortization) divided by Invested Capital (acquisition purchase price plus transaction and integration related costs).
- “Cash EPS Accretion” is calculated as tax-effected operating profit before intangible amortization divided by diluted shares.

# 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 the separation transaction. 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 September 30,			
	2023		2022	% Change
	\$	Per Share	\$	
Net sales (GAAP)	\$ 530.1		\$ 480.0	10 %
<b>Adjusted Operating Profit and Adjusted Operating Profit Margin</b>				
Operating profit (loss) (GAAP)	\$ 76.3		\$ (117.2)	NM
Operating profit (loss) margin (GAAP)	14.4 %		(24.4)%	
Special items impacting operating profit:				
Loss on divestiture of asbestos-related assets and liabilities	—		162.4	
Transaction related expenses <sup>(a)</sup>	4.3		10.8	
Repositioning related charges, net	0.1		0.8	
Adjusted operating profit (Non-GAAP)	\$ 80.7		\$ 56.8	42 %
Adjusted operating profit margin (Non-GAAP)	15.2 %		11.8 %	
<b>Adjusted Net Income and Adjusted Net Income per Share</b>				
Net income from continuing operations attributable to common shareholders (GAAP)	\$ 55.2	\$ 0.96		
Transaction related expenses <sup>(a)</sup>	4.3	0.08		
Repositioning related charges, net	0.1	—		
Impact of pension non-service costs	(0.1)	—		
Tax effect of the Non-GAAP adjustments	(0.5)	(0.01)		
Adjusted net income (Non-GAAP)	\$ 59.0	\$ 1.03		
<b>Adjusted EBITDA and Adjusted EBITDA Margin</b>				
Net income (GAAP)	\$ 55.2			
Net income margin (GAAP)	10.4 %			
Adjustments to net income:				
Interest expense, net	3.3			
Income tax expense	19.1			
Depreciation	8.1			
Amortization	1.2			
Miscellaneous income, net	(1.3)			
Repositioning related charges, net	0.1			
Transaction related expenses <sup>(a)</sup>	4.3			
Adjusted EBITDA (Non-GAAP)	\$ 90.0			
Adjusted EBITDA Margin (Non-GAAP)	17.0 %			

(a) Represents transaction-related expenses primarily associated with the separation.

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# NON-GAAP FINANCIAL MEASURES

## Non-GAAP Financial Measures by Segment

(unaudited, in millions)

Three Months Ended September 30, 2023	Aerospace & Electronics	Process Flow Technologies	Engineered Materials	Corporate	Total Company
Net sales	\$ 207.2	\$ 266.7	\$ 56.2	\$ —	\$ 530.1
Operating profit (GAAP)	\$ 40.2	\$ 51.2	\$ 7.7	\$ (22.8)	\$ 76.3
<i>Operating profit margin (GAAP)</i>	19.4 %	19.2 %	13.7 %		14.4 %
Special items impacting operating profit:					
Transaction related expenses <sup>(a)</sup>	—	—	—	4.3	4.3
Repositioning related charges, net	—	0.1	—	—	0.1
Adjusted operating profit	\$ 40.2	\$ 51.3	\$ 7.7	\$ (18.5)	\$ 80.7
<i>Adjusted operating profit margin</i>	19.4 %	19.2 %	13.7 %		15.2 %
Three Months Ended September 30, 2022					
Net sales	\$ 167.2	\$ 250.0	\$ 62.8	\$ —	\$ 480.0
Operating profit (loss) (GAAP)	\$ 28.2	\$ 41.3	\$ 6.7	\$ (193.4)	\$ (117.2)
<i>Operating profit (loss) margin (GAAP)</i>	16.9 %	16.5 %	10.7 %		(24.4)%
Special items impacting operating profit:					
Loss on divestiture of asbestos-related assets and liabilities	—	—	—	162.4	162.4
Transaction related expenses <sup>(a)</sup>	—	—	—	10.8	10.8
Repositioning related charges, net	—	0.7	0.1	—	0.8
Adjusted operating profit	\$ 28.2	\$ 42.0	\$ 6.8	\$ (20.2)	\$ 56.8
<i>Adjusted operating profit margin</i>	16.9 %	16.8 %	10.8 %		11.8 %

(a) Represents transaction-related expenses primarily associated with the separation.

Totals may not sum due to rounding

# NON-GAAP FINANCIAL MEASURES

## Adjusted Free Cash Flow

(unaudited, in millions)

	Three Months Ended September 30,	
Cash Flow Items	2023	
Cash provided by operating activities from continuing operations	\$	86.9
Less: Capital expenditures		(9.2)
Free cash flow	\$	77.7
Adjustments:		
Transaction-related expenses	\$	4.3
Adjusted free cash flow	\$	82.0



**CRANE**