



Second Quarter 2018 Earnings Release Supplement

July 27, 2018

The data in this package should be read in conjunction with Barnes Group Inc.'s earnings release and periodic filings with the SEC.



Safe Harbor Statement / Non-GAAP Measures

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future operating and financial performance and financial condition, and often contain words such as "anticipate," "believe," "expect," "plan," "estimate," "project," and similar terms. These forward-looking statements do not constitute guarantees of future performance and are subject to a variety of risks and uncertainties that may cause actual results to differ materially from those expressed in the forward-looking statements. These include, among others: difficulty maintaining relationships with employees, including unionized employees, customers, distributors, suppliers, business partners or governmental entities; failure to successfully negotiate collective bargaining agreements or potential strikes, work stoppages or other similar events; difficulties leveraging market opportunities; changes in market demand for our products and services; rapid technological and market change; the ability to protect intellectual property rights; introduction or development of new products or transfer of work; higher risks in global operations and markets; the impact of intense competition; acts of terrorism, cybersecurity attacks or intrusions that could adversely impact our businesses; uncertainties relating to conditions in financial markets; currency fluctuations and foreign currency exposure; future financial performance of the industries or customers that we serve; our dependence upon revenues and earnings from a small number of significant customers; a major loss of customers; inability to realize expected sales or profits from existing backlog due to a range of factors, including changes in customer sourcing decisions, material changes, production schedules and volumes of specific programs; the impact of government budget and funding decisions; the impact of new or revised tax laws and regulations; changes in raw material or product prices and availability; integration of acquired businesses; restructuring costs or savings; the continuing impact of prior acquisitions and divestitures; and any other future strategic actions, including acquisitions, divestitures, restructurings, or strategic business realignments, and our ability to achieve the financial and operational targets set in connection with any such actions; the outcome of pending and future legal, governmental, or regulatory proceedings and contingencies and uninsured claims; product liabilities; future repurchases of common stock; future levels of indebtedness; and numerous other matters of a global, regional or national scale, including those of a political, economic, business, competitive, environmental, regulatory and public health nature; government tariffs, trade agreements and trade policies; and other risks and uncertainties described in documents filed with or furnished to the Securities and Exchange Commission ("SEC") by the Company, including, among others, those in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors sections of the Company's filings. The Company assumes no obligation to update its forward-looking statements.

NON-GAAP MEASURES

References to adjusted financial results for 2017 & 2018 are non-GAAP measures. You will find a reconciliation table on our website as part of our fourth quarter 2017 and second quarter 2018 press releases and in the Forms 8-K submitted to the SEC. This supplement should be read in conjunction with this reconciliation table.

Q2 2018 Sales Growth & Highlights

	Sales Growth		Organic ⁽¹⁾		F/X
Industrial	(1%)	=	(4%)	+	3%
Aerospace	12%	=	12%	+	-
Total BGI	3%	=	1%	+	2%

- Sales of \$375 million, up 3%; Organic Sales increase of 1%
- Operating Income of \$63.9 million, up 11% as compared to Adjusting Operating Income of \$57.7 million in the prior year period
- Operating Margin of 17.0%, up 120 bps from an Adjusted 15.8% last year
- GAAP EPS of \$0.93, up 13% from \$0.82 last year; Adjusted EPS of \$0.90, up 11% from \$0.81 last year
- Record Total Company Backlog of \$1.2 billion, up 17% from Q2'17;
Record Aerospace Backlog of \$829 million, up 21% from Q2'17
- YTD Free Cash Flow⁽²⁾ was \$64 million vs. \$75 million last year
- YTD Capital Expenditures of \$24 million vs. \$27 million last year

2018 Segment Market Outlook



INDUSTRIAL SEGMENT

	Actual % of 2017 Sales	2018 Total Sales Growth Outlook *	End Market Highlights / Comments
Molding Solutions	34%	Up MSD	Favorable Hot Runner and Premium Molds Demand, Focus on MRO Growth & Global Expansion
Nitrogen Gas Products	10%	Up LSD	Tool & Die Markets Remain Healthy at a High Level
Engineered Components	24%	~FLAT	Global Auto Production Modestly Growing, General Industrial Markets Improving
Industrial Segment	68%	Up LSD to MSD	



AEROSPACE SEGMENT

Original Equipment Manufacturing (OEM)	22%	Up HSD	New Engine Programs Ramping, Solid OEM Orders and Backlog
Maintenance, Repair, and Overhaul (MRO)	6%	Up Low Teens	Aircraft Utilization Remains High
Spare Parts (RSP Programs)	4%	Up LDD	Favorable CFM56 Demographic Trends Continue
Aerospace Segment	32%	Up HSD to LDD	

**TOTAL SALES EXPECTATION UP 5% TO 6%;
UP 4% TO 5% ORGANICALLY**

2017 & 2018 Results and 2018 Guidance

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(\$M, except per share)

	2017 Full Year Results	2018 YTD Results	Variance Over 2017 YTD Results	2018 Full Year Guidance
Net Sales	\$1,436	\$742	+5%	+5% to +6%
Organic Sales			+1%	+4% to +5%
Operating Margin %	14.4%	16.2%	+100 bps	16.0% to 16.5%
Adjusted Operating Margin ⁽¹⁾	15.1%	16.2%	FLAT	
EPS (diluted):	\$1.09	\$1.65	+9%	\$3.21 to \$3.31
Adjusted EPS (diluted): ⁽¹⁾	\$2.88	\$1.62	+7%	\$3.18 to \$3.28
				+10% to +14%
Cash Conversion ⁽²⁾	93%			>100%

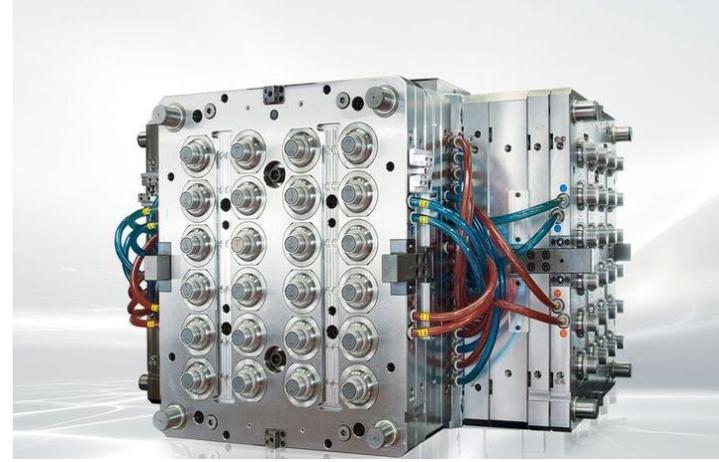
Key Factors in 2018 Guidance Range Include:

Low-End

- Softening North American Auto Program Launches
- Timing of Molding Solutions Mold Validations

High-End

- + Aero Aftermarket Strength
- + Additional Productivity



Additional information is
available at:

www.BGInc.com



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