

First Quarter 2016 Earnings Release Supplement April 26, 2016

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



One Team. One Company.



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," "strategy," "estimate," "project," and similar terms. Among others, our sales outlook, backlog, aircraft utilization, demographics, exchange rate assumptions, sales per aircraft and guidance are all forward-looking statements. 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 international 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 or consistent with projected sales per aircraft due to a range of factors, including changes in customer sourcing decisions, materials, material costs, part design, quantity of parts per engine, percentage of work directed to suppliers, engine spares, cost schedules, production schedules and volumes of specific programs; the impact of government budget and funding decisions; 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; including the arbitration proceedings involving Triumph Actuation Systems - Yakima, LLC; future repurchases of common stock; future levels of indebtedness; numerous other matters of a global, regional or national scale, including those of a political, economic, business, competitive, environmental, regulatory and public health nature; 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.

References to adjusted financial results for 2015 and 2016 are non-GAAP measures. You will find a reconciliation table on our website as part of our first quarter and full year 2015 press release and in the Form 8-K submitted to the SEC. This supplement should be read in conjunction with this reconciliation table.

2016 Segment Market Outlook

(Updated 4/26/2016)



	Actual % of 2015 Sales	2016 Sales Growth Outlook*	End Market Highlights / Comments
Molding Solutions	27%	LDD	Personal Care Strong, Auto Model Changes Favorable
Engineered Components	29%	Flat	Favorable Global Auto Production, General Industrial Weakness
Nitrogen Gas Products	9%	LSD	Tool & Die Markets Starting to Recover After Slow 2H'15
Industrial Segment	65%	MSD	



Original Equipment Manufacturing (OEM)	25%	Flat to LSD	Robust Boeing & Airbus Backlog, Strong BGI Backlog, Transition Year in 2016
Maintenance Repair and Overhaul (MRO)	6%	MSD	Aircraft Utilization Strong, Increasing Traffic & Low Fuel Prices
Spare Parts (RSP Programs)	4%	Flat	Favorable CFM56 Demographics, Tough 2015 Comparable
Aerospace Segment	35%	LSD	



M&A			Thermoplay and Priamus Acquisition Sales +3%
F/X			F/X Sales Headwind of ~1%

2016 TOTAL SALES EXPECTATION UP 2% TO 4%; FLAT TO 2% ORGANICALLY

* HSD - High single digits, MSD - Mid single digits, LSD - Low single digits, LDD - Low double digits

Our 2016 full-year outlook is only as of our April 26, 2016 earnings call, and it is not being updated or affirmed at this time.

Barnes Aerospace

Current OEM Sales Per Aircraft

(As of 4/26/2016)



BOEING



~\$900,000



~\$200,000

AIRBUS



~\$500,000



~\$400,000
(moving to a range of
\$200,000 to \$250,000
for subsequent years)

Note:

- OEM Sales per Aircraft is a directional metric as it can be highly variable over time due to a range of factors including changes in types of material and material costs, redesign of parts, quantity of parts per engine, percentage of work directed to suppliers, engine spares, and cost schedules agreed to under contract with the engine OEMs.

Q1 2016 Sales Growth & Highlights



	Sales Growth		Organic		F/X		M&A
Industrial	(3%)	=	(7%)	+	(1%)	+	6%
Aerospace	(7%)	=	(7%)	+	0%	+	0%
Total BGI	(4%)	=	(7%)	+	(1%)	+	4%

- Sales of \$288 million, down 4%; Organic Sales Decline of 7%, Negative F/X of 1%
- Adjusted Operating Income of \$42.3 million, down 5%
- Adjusted Operating Margin of 14.7%, down 20 bps
- Adjusted EPS of \$0.54 per diluted share; up 2%
- Total Company Backlog of \$793 million, up 4% sequentially from Q4'15; Aerospace Backlog of \$592 million, up 4% sequentially from Q4'15
- YTD Free Cash Flow was \$17 million vs. \$12 million last year
- YTD Capital Expenditures of \$13 million vs. \$11 million last year

2015 & 2016 Results and 2016 Guidance

(\$M, except per share)



	2015 Full Year Results	2016 Mar YTD Actual	Variance Over 2015 Mar YTD Actual	2016 Full-Year Guidance
Net Sales	\$1,194	\$288	-4%	+2% to +4%
Organic Sales			-7%	Flat to +2%
Operating Margin %	14.1%	14.4%	-20 bps	
Adjusted Operating Margin ⁽¹⁾	15.8%	14.7%	-20 bps	16% to 16.5%
EPS (diluted):	\$2.19	\$0.53	+2%	\$2.38 to \$2.53
Adjusted EPS (diluted): ⁽¹⁾	\$2.38	\$0.54	+2%	\$2.43 to \$2.58 +2% to +8%
Cash Conversion - Adjusted ⁽²⁾	128%			~100%

Key Factors in 2016 Guidance Range Include:

Low-End

- China Softness
- Global Economic Uncertainty
- Auto Production Leveling

High-End

- + Aero Aftermarket Acceleration
- + Productivity Benefits
- + Sales Volume Leverage

(1) References to Adjusted Operating Margin and Adjusted EPS for 2015 and 2016 are non-GAAP measures. A reconciliation table is available on our website as part of our Q1 2016 press release and in the Form 8-K submitted to the SEC.

(2) Cash Conversion – Adjusted is equal to Net Cash Provided by Operating Activities less Capital Expenditures divided by Net Income. (For the purpose of calculating the cash conversion ratio, the Company has excluded the pension lump-sum settlement charge, net of tax, from 2015 net income.)

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Additional information is
available at:

www.BGInc.com



