Second Quarter 2019 Earnings Release Supplement

July 26, 2019

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

Powering Forward

Safe Harbor Statement/Non-GAAP Measures

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS

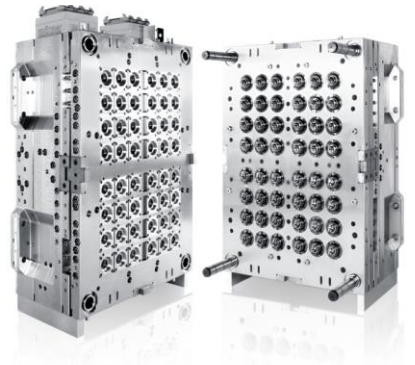
This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future operating and financial performance and financial condition, and often contain words such as "anticipate," "believe," "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 and avoid infringing upon 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, including any potential adverse effects associated with a U.S. government shutdown; the impact of new or revised tax laws and regulations; the adoption of laws, directives or regulations that impact the materials processed by our products or their end markets; 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, including the ongoing impact of the acquisition of Gimatic S.r.l., including integration efforts; 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 2018 & 2019 are non-GAAP measures. You will find a reconciliation table on our website as part of our second quarter 2019 press releases and in the Forms 8-K submitted to the SEC. This supplement should be read in conjunction with this reconciliation table.

2019 Segment Market Outlook *

	2019 Outlook		
	Total	Organic	End Market Highlights / Comments
Molding Solutions	- HSD	- MSD	Auto Model Changes Remain Soft; Medical End Market Doing Well
Force & Motion Control	+ LSD	~ FLAT	Tool & Die Market Down
Engineered Components	- MSD to - LSD	- LSD	Auto Production Market Weak
Automation	~ $60M	-	Slower than Forecasted Start Due to Automotive and China Softness
Industrial Segment	**~ FLAT**	**- LSD**	
Original Equipment Manufacturing (OEM)		+ HSD	New Engine Programs Ramping, OEM Backlog at a Healthy Level
Maintenance, Repair, and Overhaul (MRO)		+ MSD to + HSD	Aircraft Utilization Remains High
Spare Parts (RSP Programs)		+ HSD	Favorable CFM56 Demographic Trends Continue
Aerospace Segment		**+ HSD**	
Barnes Group Total	**+ 3% to + 4%**	**~ FLAT to + 1%**	**Acquisition Sales + 4%; F/X (1%)**



* LSD - Low single digits %, MSD – Mid single digits %, HSD – High single digits %

Q2’19 Sales Growth & Highlights

	Sales Growth	Organic[1]	F/X	M&A
Industrial	(6%)	(11%)	(3%)	7%
Aerospace	10%	10%		
Total BGI	(1%)	(4%)	(2%)	5%

- Sales of $372 million, down 1%; Organic Sales decrease of 4%
- Adjusted Operating Income of $58.3 million, down 9%
- Adjusted Operating Margin of 15.7%, down 130 bps
- Adjusted EPS of $0.75 per diluted share, down 17%
- Total Company Backlog of $1,110 million, down 6% from Q2’18 and down 2% from Q1’19; Aerospace Total Backlog of $803 million, down 3% from Q2’18 and down 2% from Q1’19
- YTD Free Cash Flow[2] was $83 million vs. $64 million last year
- YTD Capital Expenditures of $25 million vs. $24 million last year

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Notes: [1] Organic sales growth represents the total reported sales increase within the Company’s ongoing businesses less the impact of foreign currency translation and acquisition and divestitures completed in the preceding twelve months. [2] The Company defines free cash flow as net cash provided by operating activities less capital expenditures.

2018 & 2019 Results and 2019 Guidance

($M, except per share)

	2018 Full Year Results	2019 YTD Results	Variance Over 2018 YTD Results	2019 Full Year Guidance
Net Sales	$1,496	$748	+ 1%	+ 3% to + 4%
Organic Sales			- 1%	~ Flat to + 1%
Operating Margin %	15.5%	14.4%	- 180 bps	
Adjusted Operating Margin (1)	16.0%	15.1%	- 110 bps	15.5% to 16.0%
EPS (diluted):	$3.15	$1.38	- 16%	$3.10 to $3.20
Adjusted EPS (diluted): (1)	$3.22	$1.46	- 10%	$3.18 to $3.28
				- 1% to + 2%
Cash Conversion (2)	110%			~ 100%

Key Factors in 2019 Guidance Range Include:

Low-End

- Slowing Global Growth; Trade Uncertainties
- Delayed Customer Program Launches
- Softening Auto Production

High-End

+ Aero Aftermarket Strength
+ Strength in Medical Mold Systems
+ Additional Productivity

(1) References to Adjusted Operating Margin and Adjusted EPS for 2018 & 2019 are non-GAAP measures. A reconciliation table is available on our website as part of our Q4 2018 and Q2 2019 press releases and in the Forms 8-K submitted to the SEC. (2) Cash Conversion is equal to Net Cash Provided by Operating Activities less Capital Expenditures divided by Net Income.

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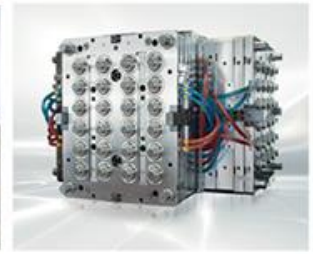

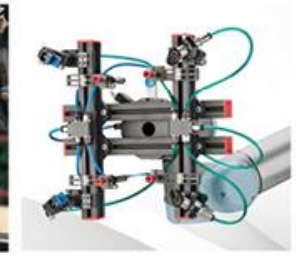

Additional information is available at:

www.BGInc.com

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