

Third Quarter 2015 Earnings Release Supplement October 23, 2015

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. 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; 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 risks and uncertainties described in our periodic filings with the SEC include, among others, 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; 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 acquisitions of the Thermoplay and Priamus businesses, 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; 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. The Company assumes no obligation to update its forward-looking statements.

References to adjusted financial results for 2014 and 2015 are non-GAAP measures. You will find a reconciliation table on our website as part of our third quarter 2015 press release and in the Form 8-K submitted to the SEC. This supplement should be read in conjunction with this reconciliation table.

Q3 2015 Sales Growth & Highlights



	Sales Growth		Organic		F/X		M&A
Industrial	(9%)	=	(3%)	+	(8%)	+	2%
Aerospace	(7%)	=	(7%)	+	0%	+	0%
Total BGI	(8%)	=	(5%)	+	(5%)	+	1%

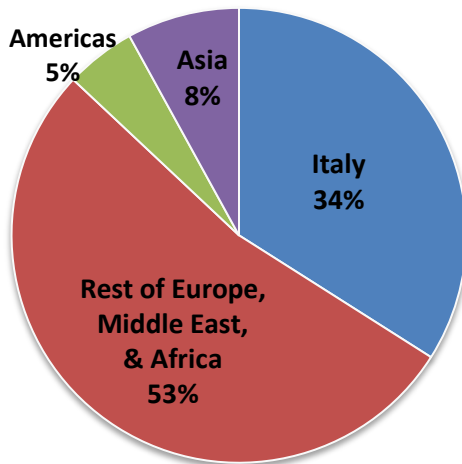
- Sales of \$291 million, down 8%; Organic Sales Decline of 5%, Negative F/X of 5%
- Adjusted Operating Income of \$48.4 million, down 8%
- Adjusted Operating Margin of 16.6%, up 10 bps
- Adjusted EPS from Continuing Operations of \$0.61 per diluted share; down 5%
- Total Company Backlog of \$743 million, up 1% sequentially from Q2'15; Aerospace Backlog of \$560 million, up 5% sequentially from Q2'15
- YTD Free Cash Flow was \$122 million vs. \$78 million last year
- YTD Capital Expenditures of \$31 million vs. \$44 million last year

Thermoplay - Business Overview



- Designer, Developer & Manufacturer of Customized Hot Runner Systems & Services
- Headquartered in Pont-Saint-Martin, Italy with Subsidiaries in 7 Countries
- 25+ Distributors in 25 Countries
- ~225 Employees

Sales by Geography



STRATEGIC FIT

- Broad Product Line for Multiple End-Markets
 - Automotive
 - Packaging
 - Electronics
 - Medical
- Innovative Technologies; Patent Portfolio
- Gateway to Additional Hot Runner Applications
- Growth Opportunities to Expand Globally

FINANCIAL SUMMARY

- Headline Purchase Price of €50 million
- Annual Sales ~€35M, EBITDA Margin ~20%
- Financed with Cash & Available Revolver Credit
- No Meaningful Impact to 2015 EPS
- Expect 2016 EPS Accretion of \$0.04 to \$0.06

Further Capital Deployment Aligned with Our Growth Strategy

Priamus – Business Overview



- Technology Leader in Development of Advanced Process Control Systems for Plastic Injection Molding Industry
- Headquartered in Schaffhausen, Switzerland with Direct Sales & Service Offices in USA & Germany
- ~40 Employees

PRODUCTS & SERVICES

Process Monitoring & Process Control

- Fill & Cool
- Pass Monitor

Sensors

- Cavity Temperature Sensors
- Cavity Pressure Sensors (piezoelectric)

Amplifiers & Data Acquisition

Accessories

- Cables and Multi Channel Connecting Boxes
- Signal Tester
- Quick Disconnects



STRATEGIC FIT

Customer Leverage with Synventive, Männer and Thermoplay

- **Synventive:** Automotive & Electronics Markets
- **Männer:** Medical/Pharmaceutical, Packaging, and Personal Care/Health Care Markets
- **Thermoplay:** Automotive, Packaging, Electronics, Medical

Premium Hot Runner & Mold Customers

- For Cavity Sensing, Quality Monitoring & Process Control
- Enhanced Processes for Cavity Balance, Family Tooling and Better Cosmetic Surfaces

Barnes Group Plastic Molding Solutions

- Single Supplier with a Higher Stake in the Outcome
- Better Integration of Technologies
- Common Sales and Service Support
- Common Design Engineer for Tool Maker

Priamus Adds to Our Plastics Technologies Product Offerings

2014 & 2015 Results and 2015 Guidance

(\$M, except per share)



	2014 Full Year Results	2015 Sep YTD Actual	Variance Over 2014 Sep YTD Actual	2015 Full-Year Guidance
Net Sales	\$ 1,262	\$ 907	-5%	-4% to -3%
Organic Sales			+1%	+0% to +1%
Operating Margin %	14.3%	15.2%	+140 bps	
Adjusted Operating Margin ⁽¹⁾	15.4%	15.9%	+70 bps	~16.5%
EPS (diluted):	\$2.16	\$1.74	+11%	\$2.40 - \$2.45
Income from Continuing Operations				
Adjusted EPS (diluted): ⁽¹⁾	\$2.34	\$1.76	+2%	\$2.42 - \$2.47
Income from Continuing Operations				+3% to +5%
Cash Conversion - Adjusted ⁽²⁾	99%			>100%

Key Factors in 2015 Guidance Range Include:

Low-End

- Timing of Aero OEM Shipments
- Lower Growth in China
- Softer N.A. Industrial Outlook

High-End

- + Aero Aftermarket Acceleration
- + Increased Productivity Gains

(1) References to Adjusted Operating Margin and Adjusted EPS for 2014 and 2015 are non-GAAP measures. A reconciliation table is available on our website as part of our Q3 2015 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. (2014 Net Cash Provided by Operating Activities excludes the income tax reduction related to the gain on sale of BDNA.)

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Additional information is
available at:

www.BGInc.com



 **Barnes**
GROUP INC