Filtration Solutions for a Global Marketplace
Safe Harbor Statement

This presentation contains forward-looking statements regarding CLARCOR Inc. ("we", "CLARCOR" or "the Company") within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements made in this presentation other than statements of historical fact, are forward-looking statements, including any statements, expressed or implied, regarding the expected financial performance of CLARCOR or regarding CLARCOR’s strategic and operational plans. Although the Company believes that its expectations and statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company’s actual results, performance or achievements to differ materially from the Company’s expectations by these forward-looking statements. Additionally, the Company’s historical performance offers no assurance with respect to its future performance. More information about potential risk factors that could affect CLARCOR’s business and financial results is included in the Company’s 2015 Annual Report on Form 10-K, which is available at www.clarcor.com or www.sec.gov.
Most diversified filtration company in the world

- 100% of consolidated revenue is filtration based*
- Serve more filtration markets than any other filtration company

Approximately 80% of our revenue is recurring aftermarket revenue

Summary statistics

- $1.4 billion* annual sales
- 6,000 global employees
- 100 operating facilities in 20 countries

*Excludes sales from the Company’s Packaging business, which was sold on June 27, 2015
**CLARCOR overview**

- **Balanced filtration portfolio**
  - **Air filtration:**
    - Heavy-duty engine
    - Gas turbine air inlet
    - Natural gas transportation
    - HVAC
    - Air pollution control
    - Industrial air
  - **Liquid filtration:**
    - Heavy-duty engine (fuel, lube, hydraulic)
    - Natural gas liquids
    - Fuel & water separation
    - Aviation fuel
    - Processed water
    - Oil drilling
    - Polymer and plastics filtration

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2. On May 1, 2014, CLARCOR acquired Stanadyne Corporation’s diesel fuel filtration business, now operated as CLARCOR Engine Mobile Solutions.
Packaging divestiture

• J.L. Clark, Inc.
  ➢ Manufacturer and marketer of rigid packaging products
  ➢ Approximately $75 million annual sales
  ➢ Operating margin of 7-10%
  ➢ CLARCOR’s first operating company
  ➢ No significant synergies with other CLARCOR companies

• Sold to CC Industries, Inc.
  ➢ Sold on June 29, 2015 for approximately $45 million cash
  ➢ For further information, refer to our press release dated June 29, 2015, available at www.clarcor.com

• CLARCOR portfolio now 100% focused on filtration
Engine/Mobile Filtration

• Highlights:
  - Approximately $600 million annual sales
  - 90% aftermarket, 10% first-fit
  - Heavy-duty fuel, oil, hydraulic and air filters
  - On-highway truck, off-road equipment, railroad
On highway heavy-duty engine

- Fuel spin-on
- Fuel kit
- Air intake
- Lube
- Coolant
- Transmission lube
- Cabin air
- Fuel water separator
- Diesel exhaust
- Transmission
Off road heavy-duty engine

Diesel fuel pre-filter

Replacement elements

Diesel fuel final filter

Replacement elements
Stanadyne Filtration acquisition

• Purchased in May 2014 for $325 million

• Approximately $90 million annual sales

• Premier diesel fuel filtration franchise
  ➢ Leading, proprietary technology
  ➢ Agriculture and construction market leadership

• Significant OE relationships

• Aftermarket represents > 70% of sales

• Doing business as CLARCOR

Assemblies and replacement elements:

OE Relationships:
Process Liquid Filtration

- **Highlights:**
  - Approximately $350 million annual sales
  - 55%-60% aftermarket, 40%-45% first-fit
  - Natural gas filtration vessels and elements
  - Aviation, aerospace, wastewater, industrial liquids
Natural gas filtration

Gas housings and cartridges

Liquid housings and cartridges

Proprietary filtration media

Gemini PuraSep® gas coalescer

XtreamPure® high flow

PEACH® media
Aerospace filtration

Example: Purolator filter applications for Boeing 737

High lift system and servo-valves
- Rudder and flap controls
- Elevator power control
- Actuator PCU

Cabin air and electronics
- Cabin air
- E/E cooling

Water filtration
- Potable pressurization (air)
- Waste tank rinse filter
- Potable drinking filter

Primary flight controls
- Hydraulic filters
- Case drain filters

Engine Filtration
- Fuel filters
- Lube oil filters
- Bleed air filters
- Speed drive filters
Industrial Air Filtration

• **Highlights:**
  - Approximately $480 million annual sales
  - 90% aftermarket, 10% first-fit
  - Gas turbine air inlet systems and filters
  - Pleated filters, HVAC, air pollution control
Gas turbine filtration

- Water
- Sand
- Salt

Components:
- Filter house
- vCell
- Cartridge
- Gas turbine
Industrial air filtration

Preveil® Membrane on fiberglass filter bags
ThermoPleat® pleated elements
PulsePleat® pleated elements

Raw Mill/Kiln Baghouse
Alkalai Bypass Baghouse
Clinker Cooler Baghouse
Mill Baghouse
Separator Baghouse
Bin Vent Dust Collector
GE Air Filtration acquisition

- Purchased in December 2013 for $265 million

- Approximately $200 million annual sales

- Gas turbine filtration
  - Leading technology
  - Multi-year supply agreement with GE
  - Opportunity to diversify with non-GE customers

- Industrial air filtration

- Doing business as CLARCOR

Gas Turbine Inlet Systems:

Gas turbine filter elements:

Pleated filter elements:
CLARCOR culture

- **Decentralized operating company structure**
  - Flexibility to respond to unique customer and channel needs
  - Common operating rhythm – the CLARCOR Management System

- **Opportunities to leverage scale**
  - Combination of local and centralized R&D capabilities
  - Strategic investments in information technology infrastructure

- **Incentive structures to drive performance**
  - Substantially all employees participate in a performance-based incentive plan
  - Focus on economic value-added and return on invested capital
  - Long-term incentive plan aligned with strategic growth initiatives
CLARCOR management system

- Standardized business improvement practices
- Lean tools and techniques
- Supports focus on cost reductions and operating margin expansion
Research & development

• Driving growth by bringing innovative technologies to market
  ➢ New global R&D facility near Franklin, TN headquarters
  ➢ New oil & gas research center near Dallas, TX
  ➢ Proprietary filtration media
  ➢ Technology and talent gained from acquisitions
  ➢ Increasing R&D spend every year
Filtration fundamentals

- **Strategic focus on industries with the following characteristics:**
  - High share of aftermarket sales
  - Extended product lifecycle
  - Filtration offers critical customer value
  - Barriers to entry
  - Filtration supported by compliance and regulatory requirements
Growth: geographic

- 100 facilities in 20 countries, including 37 manufacturing sites
Growth: emissions standards

- Case study – CLARCOR Engine Mobile Solutions diesel fuel filters:
  - Tier 2 (2005)
  - Tier 3/4 - Emerging Mkts (2013)

- Sales content per engine increased over 200% to meet new standards
Growth: new products & markets

- New products and higher margin markets:
  - New Engine/Mobile filtration distribution channels
  - Solutions for emerging process liquid filtration needs
  - Focus on high value-add applications and criticality of filtration needs
Growth: natural gas

- Attractive long-term natural gas growth profile:

  - CLARCOR solutions for gas-driven power generation and consumption
    - Gas turbine air inlet filtration
    - Natural gas transportation and processing
    - Natural gas liquids filtration
    - Coalescing and separation

- CLARCOR exposure primarily natural gas focused, mid-stream in nature

Source: BP World Energy Outlook 2035
Financial performance

$ millions, except per share data*

Sales

Compounded Annual Growth Rate = 6%

EPS

Compounded Annual Growth Rate = 9%

*Years with 53 weeks have been adjusted to reflect 52-week equivalent; all years have been adjusted to exclude sales and profits attributable to the J.L. Clark packaging business, which the Company sold on June 27, 2015.
Cash flow

$ millions

Cash flow from operations

Free cash flow

Compounded Annual Growth Rate = 7%

Average free cash flow as a percentage of net income* = 93%

*Average annual free cash flow (defined as cash flow from operations minus capital expenditures) as a percentage of net income from 2000 to 2015
Stock performance

February 2016

Value of $10,000 Invested in Dec 1999 (CAGR)

- CLARCOR: $64,050 (+13.0%)
- S&P 500: $20,513 (+5.5%)
- Russell 2000: $13,206 (+2.2%)
2015 financial highlights*

For the fiscal year ended November 28, 2015

• Diluted EPS of $2.67 per share (6% decrease from prior year)

• Adjusted* diluted EPS of $2.65 per share (9% decrease from prior year)
  ➢ Adjusted* net sales flat from prior year, or +3% in local currencies
  ➢ Growth driven by acquisitions of the Stanadyne Business and Filter Resources
  ➢ Growth also from penetration of new heavy-duty engine distribution channel
  ➢ Adjusted* operating margin decreased 130 basis points, driven by absorption and mix

• Other highlights
  ➢ Returned $112 million cash to shareholders via dividends and share repurchases
  ➢ Generated cash flow from operations of $154 million, or 114% of net earnings
  ➢ Progress in strategic R&D, information technology and operational initiatives
  ➢ Restructuring actions initiated to align cost structure with market dynamics

*See note on slide 28 for description of non-GAAP adjusted financial results and related information
## 2015 financial highlights*

$ millions, except per share data

<table>
<thead>
<tr>
<th></th>
<th>Full Year -- GAAP Results</th>
<th>Full Year -- Non-GAAP Adjusted Results*</th>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$ 1,481.0</td>
<td>$ 1,512.9</td>
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<tr>
<td><strong>Gross profit</strong></td>
<td>488.6</td>
<td>497.0</td>
</tr>
<tr>
<td><strong>Selling and administrative expenses</strong></td>
<td>(290.7)</td>
<td>(286.6)</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>197.9</td>
<td>210.4</td>
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<tr>
<td><strong>Net earnings</strong></td>
<td>134.7</td>
<td>144.1</td>
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<tr>
<td><strong>Diluted EPS</strong></td>
<td>$ 2.67</td>
<td>$ 2.83</td>
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**Percentages:**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>Better / (worse)</th>
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<tbody>
<tr>
<td>Gross margin</td>
<td>33.0%</td>
<td>32.9%</td>
<td>0.1 pt</td>
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<tr>
<td>Selling and administrative % of sales</td>
<td>19.6%</td>
<td>18.9%</td>
<td>(0.7) pt</td>
</tr>
<tr>
<td>Operating margin</td>
<td>13.4%</td>
<td>13.9%</td>
<td>(0.5) pt</td>
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<tr>
<td>Effective tax rate</td>
<td>31.9%</td>
<td>31.8%</td>
<td>0.1 pt</td>
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*The 2015 non-GAAP financial measures shown above exclude financial results from our J.L. Clark packaging business disposed of on June 27, 2015, a net gain on the sale of such packaging business, an impairment loss related to our BioProcess H2O and Algae investments, and restructuring costs related to employee severance and other employee termination benefits incurred in the fourth quarter of 2015. The 2014 non-GAAP financial measures shown above exclude integration, purchase accounting and transaction related costs associated with the GE Air Filtration, Bekaert Advanced Filtration and Stanadyne Filtration acquisitions, a bargain purchase gain recognized pursuant to the Bekaert Advanced Filtration acquisition, and the financial results of our J.L. Clark packaging business. Please refer to our press release dated January 13, 2016 (available at [www.clarcor.com](http://www.clarcor.com)) for a complete reconciliation of these non-GAAP measures to our GAAP results.