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 and the Company’s Quarterly Report on Form 10-Q for the period-ended February 27, 2016, both of which are available at www.clarcor.com or www.sec.gov.
CLARCOR overview

• 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

---

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
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 $75-$115 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 CEM kỷ

Assemblies and replacement elements:

OE Relationships:

CLARCOR
Engine Mobile Solutions

John Deere

Caterpillar
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
- XstreamPure® 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 $475 million annual sales
  - 90% aftermarket, 10% first-fit
  - Gas turbine air inlet systems and filters
  - Pleated filters, HVAC, air pollution control
Gas turbine filtration
Industrial air filtration

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

ProTura™ and ProTura NanoMatrix™ Media

PEACH® Nano-Fiber Media

CLARCOR Innovation Center

Oil & Gas Filtration Research Center
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
  - CLARCOR exposure primarily natural gas focused, mid-stream in nature

Source: BP World Energy Outlook 2035
Financial performance

$ millions, except per share data*

Compounded Annual Growth Rate = 6%

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

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

June 2016

- CLARCOR
- S&P 500
- Russell 2000

$83,828 (+13.8%)

$22,936 (+5.2%)

$14,179 (+2.1%)
2016 2Q financial highlights*
Second quarter, ended May 28, 2016

• Diluted EPS of $1.09 per share (43% increase from prior year)

• Adjusted* diluted EPS of $0.73 per share (1% decrease from prior year)
  ➢ Adjusted* net sales down (-4%) from last year, or (-3%) in constant currencies
  ➢ Sales decline driven by lower off-road engine, natural gas and industrial air demand
  ➢ HVAC sales up 17% and Gas turbine filtration sales up over 11%

• Other second quarter highlights
  ➢ Generated cash flow from operations of $95.3 million ($68.1 excluding 3M award)
  ➢ Returned $18 million cash to shareholders via dividends and share repurchases
  ➢ Cost reduction initiatives generated $6.7 million of savings

*See note on slide 28 for description of non-GAAP adjusted financial results and related information
## 2016 2Q financial highlights*

$ millions, except per share data

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter GAAP Results</th>
<th></th>
<th></th>
<th>Second Quarter Non-GAAP Adjusted Results*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$365.0</td>
<td>$399.8</td>
<td>$ (34.8)</td>
<td>-9%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>121.9</td>
<td>133.6</td>
<td>(11.7)</td>
<td>-9%</td>
</tr>
<tr>
<td>Selling and administrative expenses</td>
<td>(68.1)</td>
<td>(74.7)</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>53.8</td>
<td>58.9</td>
<td>(5.2)</td>
<td>-9%</td>
</tr>
<tr>
<td>Net earnings</td>
<td>53.4</td>
<td>38.5</td>
<td>14.9</td>
<td></td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.09</td>
<td>$0.76</td>
<td>$0.33</td>
<td>43%</td>
</tr>
</tbody>
</table>

Percentages:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Better / (worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>33.4%</td>
<td>33.4%</td>
<td>0.0 pt</td>
</tr>
<tr>
<td>Selling and administrative % of sales</td>
<td>18.7%</td>
<td>18.7%</td>
<td>0.0 pt</td>
</tr>
<tr>
<td>Operating margin</td>
<td>14.7%</td>
<td>14.7%</td>
<td>0.0 pt</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>32.4%</td>
<td>32.4%</td>
<td>0.0 pt</td>
</tr>
</tbody>
</table>

*The 2016 non-GAAP financial measures shown above exclude $27.3 million related to a patent litigation award received from 3M Company and approximately $1.4 million of upfront expenses for cost reduction initiatives including costs associated with the exit of an HVAC filtration facility in the U.S. and severance and other employee termination benefit costs pursuant to reductions in force. The 2015 non-GAAP financial measures shown above exclude the financial results of our J.L. Clark packaging business, which we disposed of during the third quarter of 2015. Please refer to our press release dated June 15, 2016 (available at www.clarcor.com) for a complete reconciliation of these non-GAAP measures to our GAAP results.