



Company Profile

Hardinge is a leading global designer and manufacturer of high precision, computer-controlled machine tool solutions developed for critical, hard-to-machine metal parts and of technologically advanced workholding accessories. The Company's strategy is to leverage its global brand strength to further penetrate global market opportunities where customers will benefit from the technologically advanced, high quality, reliable products Hardinge produces. With approximately two thirds of its sales outside of North America, Hardinge serves the worldwide metal working market. Hardinge's machine tool and accessory solutions can also be found in a broad base of industries to include aerospace, agricultural, automotive, construction, consumer products, defense, energy, medical, technology and transportation.

Hardinge applies its engineering design and manufacturing expertise in high performance machining centers, high-end cylindrical and jig grinding machines, SUPER-PRECISION® and precision CNC lathes and technologically advanced workholding accessories. Hardinge has manufacturing operations in China, France, Germany, India, Switzerland, Taiwan, the United Kingdom and the United States.

Investment Considerations

- Comprehensive product and service offering with market leading brands
- Loyal customer base serving blue chip companies in a wide range of end markets
- Globally diverse sales and manufacturing platform
- Highly experienced management team; record of successful strategic acquisitions and alliances in higher margin businesses
- Strong balance sheet

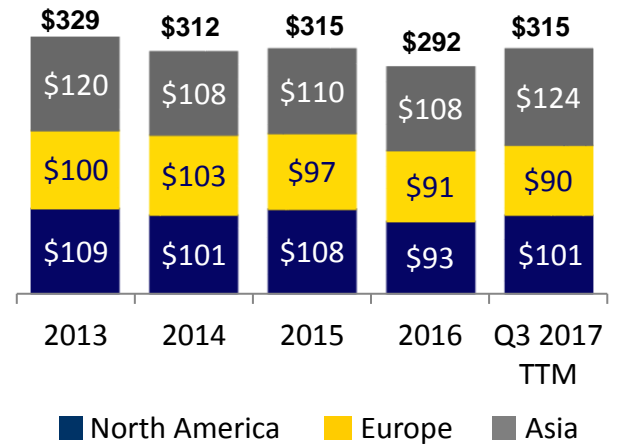
Market Highlights

Recent Price	\$16.54
Shares Outstanding	12.9 million
Market Cap	\$214.2 million
Average Daily Volume (3 mos.)	38,300
52 week Range	\$8.24 - \$16.60
Book Value per Share	\$13.04
Institutional Ownership	72.3%
Insider Ownership	11.5%

Market data as of October 31, 2017 (Source: Nasdaq); Shares Outstanding and Book Value as of September 30, 2017; Ownership as of most recent filing

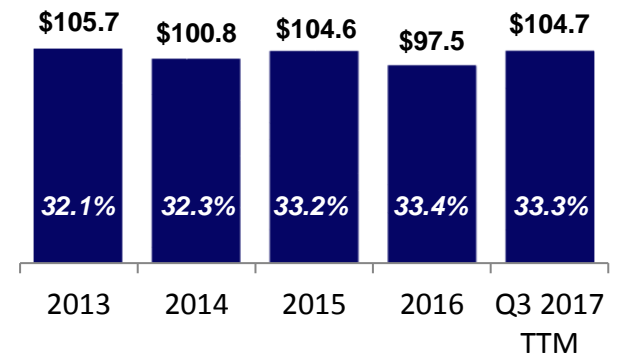
Sales by Region

(\$ in million)



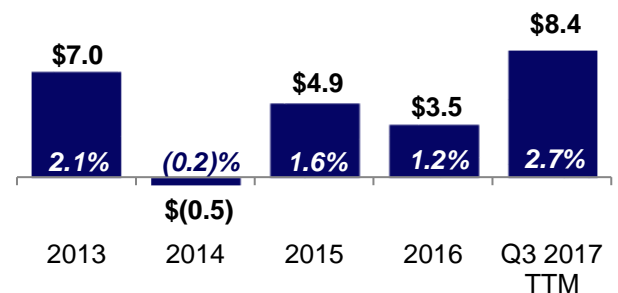
Gross Profit and Margin

(\$ in millions)



Operating Profit and Margin

(\$ in millions)





Quarterly Financial Data

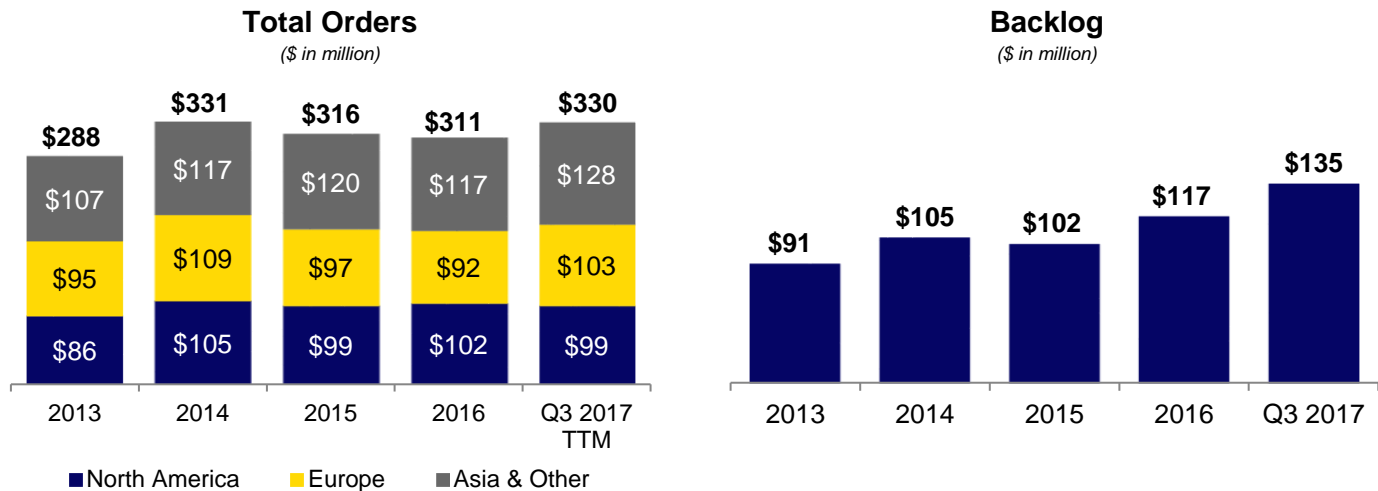
(Actual amounts may differ due to rounding)

	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017
Sales	\$ 87.0	\$ 67.8	\$ 70.2	\$ 67.2	\$ 86.8	\$ 64.6	\$ 78.2	\$ 85.0
Cost of sales	56.6	45.1	46.6	44.0	58.7	43.2	51.6	56.4
Gross profit	30.4	22.7	23.6	23.2	28.1	21.4	26.6	28.6
Gross profit margin	34.9%	33.5%	33.6%	34.4%	32.4%	33.1%	34.1%	33.7%
Selling, general and administrative expenses	20.7	20.5	19.7	20.0	19.3	18.0	20.1	20.7
Research & development	3.4	3.3	3.4	3.3	3.6	3.6	3.8	3.9
Restructuring charges	2.7	0.2	0.2	0.2	0.1	1.4	0.5	0.8
Other expense (income)	0.4	(0.1)	-	0.3	0.1	0.2	-	0.2
Income (loss) from operations	3.2	(1.2)	0.3	(0.6)	5.0	(1.8)	2.2	3.0
Operating margin	3.7%	(1.8)%	0.4%	(0.9)%	5.8%	(2.8)%	2.8%	3.5%
Interest expense, net	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income (loss) before income taxes	3.1	(1.3)	0.2	(0.7)	4.9	(1.9)	2.1	2.9
Income tax expense (benefit)	0.4	(0.1)	0.1	0.7	1.2	0.2	(0.4)	0.7
Net income (loss)	\$ 2.7	\$ (1.2)	\$ 0.1	\$ (1.4)	\$ 3.7	\$ (2.0)	\$ 2.5	\$ 2.2
Basic earnings (loss) per share:								
Earnings (loss) per share	\$ 0.22	\$ (0.10)	\$ 0.01	\$ (0.11)	\$ 0.29	\$ (0.16)	\$ 0.20	\$ 0.17
Diluted earnings (loss) per share:								
Earnings (loss) per share	\$ 0.21	\$ (0.10)	\$ 0.01	\$ (0.11)	\$ 0.29	\$ (0.16)	\$ 0.20	\$ 0.17
Cash dividends declared per share	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ -
Weighted avg. shares outstanding: Basic	12.8	12.8	12.8	12.8	12.9	12.9	12.9	12.9
Weighted avg. shares outstanding: Diluted	12.9	12.8	12.9	12.8	12.9	12.9	12.9	12.9

Third Quarter 2017 Highlights

- Third quarter sales grew 26% to \$85.0 million; Sales for first nine months up 11% over prior year period
- Quarterly net income was \$2.2 million and earnings per diluted share was \$0.17
- Generated strong cash from operations of \$11.0 million year-to-date
- Ended quarter with \$32.3 million in cash and no outstanding debt
- Expanded restructuring and cost take-out effort; Targeting an additional \$10 million in savings

Solid Orders & Backlog



Management Team

Charles P. Dougherty, *President and CEO*
 Douglas J. Malone, *Senior Vice President and CFO*
 Randall D. Bahr, *Senior Vice President, Corporate Development*
 Urs Baumgartner, *Vice President, Grinding*
 William B. Sepanik, *Vice President, Workholding*

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