CARLISLE COMPANIES INC
Form 10-Q
July 26, 2017
50000005000000false--12-31Q220172017-06-300000790051YesLarge Accelerated FilerP7YP2YP5Y400000054000002600000.60112000000000200000000786612487866124864257182629682890.03750.0512 0000790051 2017-01-01 2017-06-30 0000790051 csl:SanJamarMember 2017-01-01 2017-06-30 0000790051 csl:StarAviationMember 2017-01-01 2017-06-30 0000790051 csl:MicroCoaxIncMember 2017-01-01 2017-06-30 0000790051 us-gaap:EmployeeStockOptionMember 2017-01-01 2017-06-30 0000790051 2017-07-20 0000790051 2016-01-01 2016-06-30 0000790051 2016-04-01 2016-06-30 0000790051 2017-04-01 2017-06-30 0000790051 2017-06-30 0000790051 2016-12-31 0000790051 2016-06-30 0000790051 2015-12-31 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-06-30 0000790051 us-gaap:CommonStockMember 2016-01-01 2016-06-30 0000790051 us-gaap:AdditionalPaidInCapitalMember 2015-12-31 0000790051 us-gaap:TreasuryStockMember 2017-01-01 2017-06-30 0000790051 us-gaap:CommonStockMember 2015-12-31 0000790051 us-gaap:TreasuryStockMember 2017-06-30 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2015-12-31 0000790051 us-gaap:TreasuryStockMember 2016-12-31 0000790051 us-gaap:AdditionalPaidInCapitalMember 2016-01-01 2016-06-30 0000790051 us-gaap:RetainedEarningsMember 2015-12-31 0000790051 us-gaap:RetainedEarningsMember 2016-01-01 2016-06-30 0000790051 us-gaap:RetainedEarningsMember 2016-12-31 0000790051 us-gaap:RetainedEarningsMember 2017-06-30 0000790051 us-gaap:TreasuryStockMember 2016-01-01 2016-06-30 0000790051 us-gaap:CommonStockMember 2017-06-30 0000790051 us-gaap:TreasuryStockMember 2015-12-31 0000790051 us-gaap:AdditionalPaidInCapitalMember 2017-01-01 2017-06-30 0000790051 us-gaap:AdditionalPaidInCapitalMember 2016-12-31 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0000790051 us-gaap:RetainedEarningsMember 2017-01-01 2017-06-30 0000790051 us-gaap:CommonStockMember 2016-12-31 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2016-06-30 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2015-12-31 0000790051 us-gaap:CommonStockMember 2017-01-01 2017-06-30 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-06-30 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2016-12-31 0000790051 us-gaap:TreasuryStockMember 2016-06-30 0000790051 us-gaap:CommonStockMember 2016-06-30 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2017-06-30 0000790051 us-gaap:AdditionalPaidInCapitalMember 2016-06-30 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-06-30 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2017-01-01 2017-06-30 0000790051 us-gaap:DeferredCompensationShareBasedPaymentsMember 2016-01-01 2016-06-30 0000790051 us-gaap:AdditionalPaidInCapitalMember 2017-06-30 0000790051 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-01-01 2016-06-30 0000790051 us-gaap:RetainedEarningsMember 2016-06-30 0000790051 us-gaap:AccountingStandardsUpdate201609Member 2017-04-01 2017-06-30 0000790051 us-gaap:AccountingStandardsUpdate201609Member 2017-01-01 2017-06-30 0000790051 csl:FluidTechnologyMember 2017-01-01 2017-06-30 0000790051 csl:BrakeAndFrictionMember 2016-01-01 2016-06-30 0000790051 csl:BrakeAndFrictionMember 2016-04-01 2016-06-30 0000790051 csl:ConstructionMaterialsMember 2016-01-01 2016-06-30 0000790051 us-gaap:CorporateNonSegmentMember 2016-01-01 2016-06-30 0000790051 csl:ConstructionMaterialsMember 2017-01-01 2017-06-30 0000790051 csl:FoodServiceProductsMember 2017-01-01 2017-06-30 0000790051 csl:FoodServiceProductsMember 2016-04-01 2016-06-30 0000790051 csl:FluidTechnologyMember 2017-04-01 2017-06-30 0000790051 csl:InterconnectTechnologiesMember 2016-01-01 2016-06-30 0000790051 csl:FluidTechnologyMember 2016-01-01 2016-06-30 0000790051 csl:InterconnectTechnologiesMember 2016-04-01 2016-06-30 0000790051 us-gaap:CorporateNonSegmentMember 2017-01-01 2017-06-30 0000790051 csl:FluidTechnologyMember 2016-04-01 2016-06-30 0000790051 csl:BrakeAndFrictionMember 2017-01-01 2017-06-30 0000790051 csl:FoodServiceProductsMember 2016-01-01 2016-06-30 0000790051 us-gaap:CorporateNonSegmentMember 2016-04-01 2016-06-30 0000790051 csl:InterconnectTechnologiesMember 2017-04-01 2017-06-30 0000790051

csl:FoodServiceProductsMember 2017-04-01 2017-06-30 0000790051 csl:ConstructionMaterialsMember 2017-04-01 2017-06-30 0000790051 us-gaap:CorporateNonSegmentMember 2017-04-01 2017-06-30 0000790051 csl:InterconnectTechnologiesMember 2017-01-01 2017-06-30 0000790051 csl:BrakeAndFrictionMember 2017-04-01 2017-06-30 0000790051 csl:ConstructionMaterialsMember 2016-04-01 2016-06-30 0000790051 csl:MicroCoaxIncMember 2017-03-31 0000790051 csl:MicroCoaxIncMember us-gaap:ScenarioPreviouslyReportedMember 2016-06-10 0000790051 csl:MicroCoaxIncMember us-gaap:ScenarioAdjustmentMember 2017-03-31 0000790051 csl:MicroCoaxIncMember 2016-06-10 2017-03-31 0000790051 csl:MicroCoaxIncMember us-gaap:ScenarioPreviouslyReportedMember 2016-06-10 2016-06-10 0000790051 csl:MicroCoaxIncMember us-gaap:ScenarioAdjustmentMember 2016-06-10 2017-03-31 0000790051 csl:SanJamarMember 2017-06-30 0000790051 csl:SanJamarMember us-gaap:ScenarioAdjustmentMember 2017-06-30 0000790051 csl:SanJamarMember 2017-01-09 0000790051 csl:SanJamarMember 2017-01-09 2017-01-09 0000790051 csl:SanJamarMember us-gaap:ScenarioAdjustmentMember 2017-01-09 2017-06-30 0000790051 csl:SanJamarMember 2017-01-09 2017-06-30 0000790051 csl:MsOberflachentechnikAgMember 2016-02-19 2016-02-19 0000790051 csl:MicroCoaxIncMember us-gaap:CustomerRelationshipsMember 2017-03-31 0000790051 csl:StarAviationMember us-gaap:CustomerRelationshipsMember us-gaap:MaximumMember 2017-01-01 2017-06-30 0000790051 csl:ArboHoldingsLimitedMember 2017-01-31 0000790051 csl:ArboHoldingsLimitedMember 2017-01-31 2017-01-31 0000790051 csl:MicroCoaxIncMember us-gaap:CustomerRelationshipsMember 2016-06-10 2017-03-31 0000790051 csl:MsOberflachentechnikAgMember 2016-02-19 0000790051 csl:SanJamarMember us-gaap:NoncompeteAgreementsMember 2017-06-30 0000790051 csl:LHiTechnologyMember us-gaap:ScenarioAdjustmentMember 2016-09-30 0000790051 csl:LHiTechnologyMember 2017-06-30 0000790051 csl:ArboHoldingsLimitedMember us-gaap:CustomerRelationshipsMember 2017-01-31 2017-01-31 0000790051 csl:MicroCoaxIncMember us-gaap:NoncompeteAgreementsMember us-gaap:ScenarioPreviouslyReportedMember 2017-03-31 0000790051 csl:SanJamarMember csl:AcquiredTechnologyMember us-gaap:MaximumMember 2017-01-09 2017-01-09 0000790051 csl:StarAviationMember csl:AcquiredTechnologyMember 2017-01-01 2017-06-30 0000790051 csl:StarAviationMember us-gaap:NoncompeteAgreementsMember 2017-06-30 0000790051 csl:StarAviationMember 2017-06-30 0000790051 csl:StarAviationMember 2016-10-03 0000790051 csl:SanJamarMember csl:AcquiredTechnologyMember 2017-06-30 0000790051 csl:MicroCoaxIncMember csl:AcquiredTechnologyMember 2016-06-10 2017-03-31 0000790051 csl:LHiTechnologyMember 2014-10-31 0000790051 csl:SanJamarMember us-gaap:CustomerRelationshipsMember 2017-01-09 2017-01-09 0000790051 csl:MicroCoaxIncMember 2016-06-10 2016-06-10 0000790051 csl:MicroCoaxIncMember csl:AcquiredTechnologyMember 2017-03-31 0000790051 csl:StarAviationMember 2016-10-03 2016-10-03 0000790051 csl:StarAviationMember us-gaap:ScenarioPreviouslyReportedMember 2016-10-03 0000790051 csl:MicroCoaxIncMember us-gaap:TradeNamesMember 2017-03-31 0000790051 csl:MsOberflachentechnikAgMember csl:AcquiredTechnologyMember 2016-02-19 0000790051 csl:MicroCoaxIncMember us-gaap:NoncompeteAgreementsMember us-gaap:ScenarioPreviouslyReportedMember 2016-06-10 2017-03-31 0000790051 csl:SanJamarMember us-gaap:CustomerRelationshipsMember 2017-06-30 0000790051 csl:MicroCoaxIncMember us-gaap:TradeNamesMember us-gaap:ScenarioPreviouslyReportedMember 2016-06-10 2017-03-31 0000790051 csl:MsOberflachentechnikAgMember us-gaap:CustomerRelationshipsMember 2016-02-19 2016-02-19 0000790051 csl:MsOberflachentechnikAgMember csl:AcquiredTechnologyMember 2016-02-19 2016-02-19 0000790051 csl:StarAviationMember us-gaap:NoncompeteAgreementsMember 2017-01-01 2017-06-30 0000790051 csl:MsOberflachentechnikAgMember us-gaap:CustomerRelationshipsMember 2016-02-19 0000790051 csl:StarAviationMember us-gaap:CustomerRelationshipsMember 2017-06-30 0000790051 csl:StarAviationMember csl:AcquiredTechnologyMember 2017-06-30 0000790051 csl:MicroCoaxIncMember 2016-06-10 0000790051 csl:StarAviationMember us-gaap:ScenarioAdjustmentMember 2017-06-30 0000790051 csl:StarAviationMember us-gaap:ScenarioPreviouslyReportedMember 2016-10-03 2016-10-03 0000790051 csl:SanJamarMember csl:AcquiredTechnologyMember us-gaap:MinimumMember 2017-01-09 2017-01-09 0000790051 csl:SanJamarMember us-gaap:NoncompeteAgreementsMember 2017-01-09 2017-01-09 0000790051 csl:StarAviationMember us-gaap:CustomerRelationshipsMember us-gaap:MinimumMember 2017-01-01 2017-06-30 0000790051 csl:RestrictedStockAwardMember 2017-01-01 2017-06-30 0000790051 us-gaap:RestrictedStockUnitsRSUMember 2017-01-01 2017-06-30 0000790051 csl:PerformanceShareAwardMember

2017-01-01 2017-06-30 0000790051 us-gaap:EmployeeStockOptionMember 2016-04-01 2016-06-30 0000790051
us-gaap:EmployeeStockOptionMember 2017-04-01 2017-06-30 0000790051 us-gaap:EmployeeStockOptionMember
2016-01-01 2016-06-30 0000790051 csl:ExecutiveIncentiveProgramMember 2017-06-30 0000790051
us-gaap:DeferredCompensationShareBasedPaymentsMember 2016-12-31 0000790051
us-gaap:EmployeeStockOptionMember csl:ExecutiveIncentiveProgramMember 2017-06-30 0000790051
us-gaap:DeferredCompensationShareBasedPaymentsMember 2017-06-30 0000790051
us-gaap:EmployeeStockOptionMember us-gaap:ShareBasedCompensationAwardTrancheOneMember 2017-01-01
2017-06-30 0000790051 us-gaap:EmployeeStockOptionMember
us-gaap:ShareBasedCompensationAwardTrancheThreeMember 2017-01-01 2017-06-30 0000790051
us-gaap:EmployeeStockOptionMember us-gaap:ShareBasedCompensationAwardTrancheTwoMember 2017-01-01
2017-06-30 0000790051 us-gaap:ConstructionInProgressMember 2017-06-30 0000790051
us-gaap:MachineryAndEquipmentMember 2017-06-30 0000790051 us-gaap:ConstructionInProgressMember
2016-12-31 0000790051 us-gaap:MachineryAndEquipmentMember 2016-12-31 0000790051
csl:BuildingAndLeaseholdImprovementsMember 2017-06-30 0000790051 us-gaap:FurnitureAndFixturesMember
2016-12-31 0000790051 us-gaap:LandAndLandImprovementsMember 2016-12-31 0000790051
us-gaap:LandAndLandImprovementsMember 2017-06-30 0000790051 us-gaap:FurnitureAndFixturesMember
2017-06-30 0000790051 csl:BuildingAndLeaseholdImprovementsMember 2016-12-31 0000790051
us-gaap:OtherIntangibleAssetsMember 2017-06-30 0000790051 us-gaap:TradeNamesMember 2017-06-30
0000790051 csl:PatentsAndIntellectualPropertyMember 2017-06-30 0000790051
us-gaap:CustomerRelationshipsMember 2017-06-30 0000790051 csl:FoodServiceProductsMember 2016-12-31
0000790051 csl:FluidTechnologyMember 2017-06-30 0000790051 csl:BrakeAndFrictionMember 2016-12-31
0000790051 csl:InterconnectTechnologiesMember 2016-12-31 0000790051 csl:FluidTechnologyMember 2016-12-31
0000790051 csl:BrakeAndFrictionMember 2017-06-30 0000790051 csl:ConstructionMaterialsMember 2017-06-30
0000790051 csl:ConstructionMaterialsMember 2016-12-31 0000790051 csl:FoodServiceProductsMember
2017-06-30 0000790051 csl:InterconnectTechnologiesMember 2017-06-30 0000790051
us-gaap:CustomerRelationshipsMember 2016-12-31 0000790051 us-gaap:TradeNamesMember 2016-12-31
0000790051 csl:PatentsAndIntellectualPropertyMember 2016-12-31 0000790051
us-gaap:OtherIntangibleAssetsMember 2016-12-31 0000790051 us-gaap:LetterOfCreditMember
csl:UncommittedLetterofCreditandReimbursementAgreementMember 2017-04-28 0000790051
us-gaap:DamagesFromProductDefectsMember 2017-06-30 0000790051 us-gaap:FinancialGuaranteeMember
2017-06-30 0000790051 us-gaap:FinancialGuaranteeMember 2016-12-31 0000790051
csl:SeniorNotesPayable3.75PercentDue2022Member 2017-06-30 0000790051
us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2016-12-31 0000790051
us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember us-gaap:FairValueInputsLevel2Member
2017-06-30 0000790051 us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2017-06-30
0000790051 csl:SeniorNotesPayable3.75PercentDue2022Member us-gaap:FairValueInputsLevel2Member
2017-06-30 0000790051 csl:SeniorNotesPayable5.125PercentDue2020Member 2016-12-31 0000790051
csl:SeniorNotesPayable5.125PercentDue2020Member 2017-06-30 0000790051
us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember us-gaap:FairValueInputsLevel2Member
2016-12-31 0000790051 csl:SeniorNotesPayable3.75PercentDue2022Member
us-gaap:FairValueInputsLevel2Member 2016-12-31 0000790051
csl:SeniorNotesPayable3.75PercentDue2022Member 2016-12-31 0000790051
csl:SeniorNotesPayable5.125PercentDue2020Member us-gaap:FairValueInputsLevel2Member 2016-12-31
0000790051 csl:SeniorNotesPayable5.125PercentDue2020Member us-gaap:FairValueInputsLevel2Member
2017-06-30 0000790051 us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2017-02-21
0000790051 us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2017-03-31 0000790051
us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2017-02-20 0000790051
us-gaap:RevolvingCreditFacilityMember csl:CreditAgreementMember 2017-01-01 2017-06-30 0000790051
us-gaap:LetterOfCreditMember csl:CreditAgreementMember 2017-02-20 0000790051
us-gaap:PensionPlansDefinedBenefitMember 2016-04-01 2016-06-30 0000790051
us-gaap:PensionPlansDefinedBenefitMember 2017-01-01 2017-06-30 0000790051

us-gaap:PensionPlansDefinedBenefitMember 2016-01-01 2016-06-30 0000790051
us-gaap:PensionPlansDefinedBenefitMember 2017-04-01 2017-06-30 0000790051
us-gaap:CashAndCashEquivalentsMember 2017-06-30 0000790051 us-gaap:ShortTermInvestmentsMember
2017-06-30 0000790051 us-gaap:ShortTermInvestmentsMember 2016-12-31 0000790051
us-gaap:CashAndCashEquivalentsMember 2016-12-31 0000790051
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-04-01 2016-06-30 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-04-01 2017-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-04-01 2017-06-30
0000790051 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-04-01 2016-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-06-30 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2016-01-01 2016-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-01-01 2016-06-30
0000790051 us-gaap:AccumulatedTranslationAdjustmentMember 2016-03-31 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-01-01 2017-06-30
0000790051 us-gaap:AccumulatedTranslationAdjustmentMember 2017-06-30 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2017-01-01 2017-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-04-01 2016-06-30
0000790051 us-gaap:AccumulatedTranslationAdjustmentMember 2017-04-01 2017-06-30 0000790051
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-04-01 2017-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2015-12-31 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-06-30 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2015-12-31 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-01-01 2016-06-30 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2016-04-01 2016-06-30 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-06-30 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2016-06-30 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-03-31 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-06-30 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-03-31 0000790051
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-03-31 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2017-03-31 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-03-31 0000790051
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-12-31 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2015-12-31 0000790051
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-03-31 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2017-03-31 0000790051
us-gaap:AccumulatedTranslationAdjustmentMember 2016-12-31 0000790051
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2016-12-31 0000790051
us-gaap:ForeignExchangeContractMember us-gaap:NondesignatedMember 2017-06-30 0000790051
us-gaap:ForeignExchangeContractMember us-gaap:NondesignatedMember 2016-12-31 0000790051
us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2016-12-31
0000790051 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember
2017-06-30 0000790051 us-gaap:MaximumMember csl:NoncashAcceleratedDepreciationMember
csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051
us-gaap:OtherRestructuringMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-04-01
2017-06-30 0000790051 us-gaap:OtherRestructuringMember csl:ManufacturingOperationsMember
csl:BrakeAndFrictionMember 2017-01-01 2017-06-30 0000790051 us-gaap:EmployeeSeveranceMember
csl:AerospaceManufacturingOperationsMember csl:InterconnectTechnologiesMember 2017-01-01 2017-06-30
0000790051 us-gaap:MinimumMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember
2017-06-30 0000790051 us-gaap:OneTimeTerminationBenefitsMember csl:MedicalBusinessMember

csl:InterconnectTechnologiesMember 2017-06-30 0000790051 us-gaap:EmployeeSeveranceMember csl:AerospaceManufacturingOperationsMember csl:InterconnectTechnologiesMember 2017-06-30 0000790051 us-gaap:MaximumMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-02-09 2017-02-09 0000790051 us-gaap:MaximumMember us-gaap:OtherRestructuringMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:MinimumMember csl:NoncashAcceleratedDepreciationMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:EmployeeRelocationMember csl:AdministrativeFunctionsandFacilitiesMember csl:FluidTechnologyMember 2017-01-01 2017-06-30 0000790051 csl:EmployeeRetentionandTerminationBenefitsMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:MinimumMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-02-09 2017-02-09 0000790051 us-gaap:MaximumMember csl:RelocateandReinstallEquipmentMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:MaximumMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:MinimumMember us-gaap:OtherRestructuringMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:EmployeeSeveranceMember csl:AerospaceManufacturingOperationsMember csl:InterconnectTechnologiesMember 2017-04-01 2017-06-30 0000790051 us-gaap:OneTimeTerminationBenefitsMember csl:MedicalBusinessMember csl:InterconnectTechnologiesMember 2017-01-01 2017-06-30 0000790051 us-gaap:EmployeeRelocationMember csl:AdministrativeFunctionsandFacilitiesMember csl:FluidTechnologyMember 2017-06-30 0000790051 us-gaap:MinimumMember csl:RelocateandReinstallEquipmentMember csl:ManufacturingOperationsMember csl:BrakeAndFrictionMember 2017-06-30 0000790051 us-gaap:OneTimeTerminationBenefitsMember csl:MedicalBusinessMember csl:InterconnectTechnologiesMember 2017-04-01 2017-06-30 0000790051 us-gaap:EmployeeRelocationMember csl:AdministrativeFunctionsandFacilitiesMember csl:FluidTechnologyMember 2017-04-01 2017-06-30 0000790051 us-gaap:ResearchAndDevelopmentExpenseMember 2017-01-01 2017-06-30 0000790051 us-gaap:OtherExpenseMember 2016-04-01 2016-06-30 0000790051 us-gaap:SellingGeneralAndAdministrativeExpensesMember 2016-01-01 2016-06-30 0000790051 us-gaap:ResearchAndDevelopmentExpenseMember 2017-04-01 2017-06-30 0000790051 us-gaap:SellingGeneralAndAdministrativeExpensesMember 2017-01-01 2017-06-30 0000790051 us-gaap:CostOfSalesMember 2016-01-01 2016-06-30 0000790051 us-gaap:ResearchAndDevelopmentExpenseMember 2016-04-01 2016-06-30 0000790051 us-gaap:ResearchAndDevelopmentExpenseMember 2016-01-01 2016-06-30 0000790051 us-gaap:CostOfSalesMember 2017-01-01 2017-06-30 0000790051 us-gaap:CostOfSalesMember 2016-04-01 2016-06-30 0000790051 us-gaap:SellingGeneralAndAdministrativeExpensesMember 2016-04-01 2016-06-30 0000790051 us-gaap:OtherExpenseMember 2017-04-01 2017-06-30 0000790051 us-gaap:OtherExpenseMember 2017-01-01 2017-06-30 0000790051 us-gaap:CostOfSalesMember 2017-04-01 2017-06-30 0000790051 us-gaap:OtherExpenseMember 2016-01-01 2016-06-30 0000790051 us-gaap:SellingGeneralAndAdministrativeExpensesMember 2017-04-01 2017-06-30 0000790051 us-gaap:CorporateNonSegmentMember 2016-12-31 0000790051 us-gaap:CorporateNonSegmentMember 2017-06-30 0000790051 csl:DrexelMetalsInc.Member us-gaap:SubsequentEventMember 2017-07-03 2017-07-03 iso4217:USD csl:lease xbrli:shares xbrli:pure iso4217:CHF iso4217:GBP iso4217:USD xbrli:shares

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017

Commission file number 1-9278

www.carlisle.com

CARLISLE COMPANIES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**31-1168055**
(State of incorporation)	(I.R.S. Employer Identification No.)

(**480)**
781-5000
(Telephone Number)
16430 North Scottsdale Road, Suite 400, Scottsdale, Arizona 85254
(Address of principal executive office, including zip code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Shares of common stock outstanding at July 20, 2017: 63,171,850

Table of Contents

Carlisle Companies Incorporated

Table of Contents

		Page Number
	PART I: FINANCIAL STATEMENTS	
Item 1.	Financial Statements	3
	Condensed Consolidated Statements of Earnings and Comprehensive Income (Unaudited)	3
	Condensed Consolidated Balance Sheets	4
	Condensed Consolidated Statements of Cash Flows (Unaudited)	5
	Condensed Consolidated Statement of Shareholders' Equity (Unaudited)	6
	Notes to the Condensed Consolidated Financial Statements (Unaudited)	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	28
Item 3.	Quantitative and Qualitative Disclosure about Market Risk	41
Item 4.	Controls and Procedures	41
	PART II: OTHER INFORMATION	
Item 1.	Legal Proceedings	42
Item 1A.	Risk Factors	42
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	43
Item 3.	Defaults Upon Senior Securities	43
Item 4.	Mine Safety Disclosures	43
Item 5.	Other Information	43
Item 6.	Exhibits	44
SIGNATURE		45

Table of Contents

Carlisle Companies Incorporated

Item 1. Financial Statements

Condensed Consolidated Statements of Earnings and Comprehensive Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions except share and per share amounts)	**2017**	**2016**	**2017**	**2016**
Net sales	**$1,071.7**	$996.9	**$1,929.0**	$1,790.9
Cost of goods sold	**757.7**	675.7	**1,367.3**	1,224.3
Selling and administrative expenses	**141.6**	131.5	**281.3**	255.6
Research and development expenses	**13.9**	12.0	**26.7**	23.3
Other income, net	**(0.3)**	(1.2)	**(1.8)**	(1.8)
Earnings before interest and income taxes	**158.8**	178.9	**255.5**	289.5
Interest expense, net	**7.1**	8.2	**13.7**	16.6
Earnings before income taxes from continuing operations	**151.7**	170.7	**241.8**	272.9
Income tax expense	**49.4**	55.4	**78.0**	89.1
Income from continuing operations	**102.3**	115.3	**163.8**	183.8
Discontinued operations:				
(Loss) income before income taxes	**(0.1)**	(0.1)	**0.4**	(0.1)
Income tax (benefit) expense	**(0.1)**	—	**0.1**	—
(Loss) income from discontinued operations	**—**	(0.1)	**0.3**	(0.1)
Net income	**$102.3**	$115.2	**$164.1**	$183.7
Basic earnings per share attributable to common shares:				
Income from continuing operations	**$1.59**	$1.78	**$2.53**	$2.84
Income from discontinued operations	**—**	—	**—**	—
Basic earnings per share	**$1.59**	$1.78	**$2.53**	$2.84
Diluted earnings per share attributable to common shares:				
Income from continuing operations	**$1.58**	$1.75	**$2.52**	$2.80
Income from discontinued operations	**—**	—	**—**	—
Diluted earnings per share	**$1.58**	$1.75	**$2.52**	$2.80
Average shares outstanding (in thousands):				
Basic	**63,746**	64,246	**64,048**	64,131
Diluted	**64,140**	65,112	**64,473**	65,050
Dividends declared and paid	**$23.1**	$19.5	**$45.8**	$39.0
Dividends declared and paid per share	**$0.35**	$0.30	**$0.70**	$0.60
Comprehensive income:				
Net income	**$102.3**	$115.2	**$164.1**	$183.7
Other comprehensive income (loss)				

Foreign currency translation	**19.8**	(15.0)	**31.2**	(4.8)
Accrued post-retirement benefit liability, net of tax	**0.4**	0.4	**0.8**	0.8
Other, net of tax	**(0.6)**	(0.1)	**(0.7)**	(0.3)
Other comprehensive income (loss)	**19.6**	(14.7)	**31.3**	(4.3)
Comprehensive income	**$121.9**	$100.5	**$195.4**	$179.4

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

Carlisle Companies Incorporated

Condensed Consolidated Balance Sheets

(in millions except share and per share amounts)	**June 30, 2017**	**December 31, 2016**
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	**$139.8**	$385.3
Receivables, net of allowance of $5.4 million and $4.0 million, respectively	**694.9**	511.6
Inventories	**436.0**	377.0
Prepaid expenses	**24.0**	24.3
Other current assets	**41.5**	57.0
Total current assets	**1,336.2**	1,355.2
Property, plant, and equipment, net	**683.1**	632.2
Other assets:		
Goodwill, net	**1,180.2**	1,081.2
Other intangible assets, net	**1,005.3**	872.2
Other long-term assets	**24.1**	25.0
Total other assets	**2,209.6**	1,978.4
TOTAL ASSETS	**$4,228.9**	$3,965.8
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	**$335.4**	$243.6
Accrued expenses	**235.3**	246.7
Deferred revenue	**31.2**	23.2
Total current liabilities	**601.9**	513.5
Long-term liabilities:		
Long-term debt	**706.7**	596.4
Deferred revenue	**177.3**	172.0
Other long-term liabilities	**270.5**	217.0
Total long-term liabilities	**1,154.5**	985.4
Commitments and contingencies (See Note 11)		
Shareholders' equity:		
Preferred stock, $1 par value per share (authorized and unissued 5,000,000 shares)	**—**	—
Common stock, $1 par value per share (authorized 200,000,000 shares; issued 78,661,248 shares; outstanding 62,968,289 and 64,257,182 shares, respectively)	**78.7**	78.7
Additional paid-in capital	**341.6**	335.3
Deferred compensation equity	**13.1**	10.3
Treasury shares, at cost (15,507,309 and 14,178,801 shares, respectively)	**(535.7)**	(382.6)
Accumulated other comprehensive loss	**(90.9)**	(122.2)
Retained earnings	**2,665.7**	2,547.4
Total shareholders' equity	**2,472.5**	2,466.9

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$4,228.9**	$3,965.8

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

Carlisle Companies Incorporated

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in millions)	Six Months Ended June 30, 2017	2016
Operating activities		
Net income	**$164.1**	$183.7
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	**40.2**	36.9
Amortization	**38.9**	30.5
Stock-based compensation, net of tax benefit	**7.3**	(5.2)
Other operating activities, net	**6.4**	(1.5)
Changes in assets and liabilities, excluding effects of acquisitions:		
Receivables	**(167.6)**	(120.2)
Inventories	**(38.7)**	(19.3)
Prepaid expenses and other assets	**6.4**	4.1
Accounts payable	**71.7**	61.3
Accrued expenses	**(6.8)**	5.9
Deferred revenues	**13.1**	4.1
Other long-term liabilities	**(0.3)**	(0.4)
Net cash provided by operating activities	**134.7**	179.9
Investing activities		
Capital expenditures	**(66.1)**	(45.9)
Acquisitions, net of cash acquired	**(225.9)**	(103.1)
Other investing activities, net	**0.1**	0.1
Net cash used in investing activities	**(291.9)**	(148.9)
Financing activities		
Proceeds from revolving credit facility	**263.0**	—
Repayment of revolving credit facility	**(153.0)**	—
Dividends paid	**(45.8)**	(39.0)
Proceeds from exercise of stock options	**3.5**	39.8
Withholding tax paid related to stock-based compensation	**(8.1)**	(4.7)
Repurchases of common stock	**(150.0)**	(40.9)
Net cash used in financing activities	**(90.4)**	(44.8)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**2.1**	1.0
Change in cash and cash equivalents	**(245.5)**	(12.8)
Cash and cash equivalents		
Beginning of period	**385.3**	410.7
End of period	**$139.8**	$397.9

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

Carlisle Companies Incorporated

Condensed Consolidated Statement of Shareholders' Equity (Unaudited)

(In millions, except share and per share amounts)

	Common Stock						Shares in Treasury		
	Shares	Amount	Additional Paid-In Capital	Deferred Compensation Equity	Accumulated Other Comprehensive Income (loss)	Retained Earnings	Shares	Cost	Total Shareholders' Equity
Balance at December 31, 2015	64,051,600	$ 78.7	$ 293.4	$ 8.0	$ (87.1)	$ 2,381.8	14,383,241	$ (327.4)	$ 2,347.4
Net income	—	—	—	—	—	183.7	—	—	183.7
Other comprehensive loss, net of tax	—	—	—	—	(4.3)	—	—	—	(4.3)
Cash dividends - $0.60 per share	—	—	—	—	—	(39.0)	—	—	(39.0)
Repurchases of common stock	(459,662)	—	—	—	—	—	459,662	(41.5)	(41.5)
Issuances and deferrals, net for stock based compensation [1]	808,705	—	25.5	2.4	—	—	(809,293)	15.9	43.8
Balance at June 30, 2016	64,400,643	$ 78.7	$ 318.9	$ 10.4	$ (91.4)	$ 2,526.5	14,033,610	$ (353.0)	$ 2,490.1
Balance at December 31, 2016	64,257,182	$ 78.7	$ 335.3	$ 10.3	$ (122.2)	$ 2,547.4	14,178,801	$ (382.6)	$ 2,466.9
Net income	—	—	—	—	—	164.1	—	—	164.1
Other comprehensive income, net of tax	—	—	—	—	31.3	—	—	—	31.3
Cash dividends - $0.70 per share	—	—	—	—	—	(45.8)	—	—	(45.8)
Repurchases of common stock	(1,482,114)	—	—	—	—	—	1,482,114	(150.0)	(150.0)
Issuances and deferrals, net for stock based compensation [1]	193,221	—	6.3	2.8	—	—	(153,606)	(3.1)	6.0
Balance at June 30, 2017	**62,968,289**	**$ 78.7**	**$ 341.6**	**$ 13.1**	**$ (90.9)**	**$ 2,665.7**	**15,507,309**	**$ (535.7)**	**$ 2,472.5**

[1] Issuances and deferrals, net for stock based compensation reflects share activity related to option exercises, restricted and performance shares vested and net issuances and deferrals associated with deferred compensation equity.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1—Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by Carlisle Companies Incorporated (the "Company", “We”, “Our” or "Carlisle"). The accompanying unaudited Condensed Consolidated Financial Statements do not include all disclosures as required by accounting principles generally accepted in the United States of America (U.S.), and should be read in conjunction with the Company’s audited Consolidated Financial Statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2016.

The accompanying unaudited Condensed Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the U.S. and, of necessity, include some amounts that are based upon management estimates and judgments. The accompanying unaudited Condensed Consolidated Financial Statements include assets, liabilities, net sales, and expenses of all majority-owned subsidiaries. Intercompany transactions and balances are eliminated in consolidation.

In our opinion, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting solely of adjustments of a normal, recurring nature, necessary to present fairly the financial position, results of operations, and cash flows for the periods presented. We have reclassified certain prior period amounts to conform to current period presentation.

Note 2—New Accounting Pronouncements

New Accounting Standards Adopted

Effective January 1, 2017, the Company adopted Accounting Standards Update ("ASU") 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (“ASU 2016-09”). The ASU simplifies several aspects of the accounting for stock compensation, including the following:

- On a prospective basis, all income tax effects of awards are recognized in the statement of operations as tax expense or benefit at the time that the awards vest or are settled, which resulted in a $0.9 million and $3.5 million discrete income tax benefit for the second quarter and first six months of 2017, respectively.
- On a prospective basis, all income tax effects of awards are recognized in the statement of cash flows as only operating activities.
- The cash paid to a tax authority when shares are withheld to satisfy the tax withholding obligation are classified as financing activities on the statement of cash flows on a retrospective basis. The adoption had no impact on our cash flows presentation as we have historically presented these amounts as financing activities.
- Companies are required to elect the method of accounting for forfeitures of share-based payments, either by recognizing such forfeitures as they occur or estimating the number of awards expected to be forfeited and adjusting such estimate when it is deemed likely to change. The Company elected to account for forfeitures as they occur and the adoption did not have a material impact on stock-based compensation expense.

In January 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment*, which simplifies how an entity

is required to test goodwill for impairment by eliminating step 2 of the goodwill impairment test, which measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount. Instead, entities should measure an impairment charge for the excess of carrying amount over the fair value of the respective reporting unit. The Company early adopted this ASU effective January 1, 2017 and anticipates the elimination of step 2 will reduce the complexity and cost of the subsequent measurement of goodwill.

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

New Accounting Standards Issued But Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). ASU 2014-09 outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance issued by the FASB, including industry specific guidance. ASU 2014-09 provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts with customers to provide goods and services. The standard allows for either full retrospective or modified retrospective adoption. The company will adopt the standard, using the modified retrospective approach, for interim and annual periods beginning on January 1, 2018. ASU 2014-09 also requires entities to disclose both quantitative and qualitative information to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

To date, this assessment has included (1) utilizing questionnaires to assist with identifying our revenue streams, (2) performing sample contract analysis, and (3) assessing the identified differences in recognition and measurement that may result from adopting this ASU. The Company has made preliminary conclusions regarding separately-priced extended warranty contracts and variable consideration, and continues its analysis with respect to whether certain contracts' revenues will be recognized over time or at a point in time, but does not anticipate significant changes in its revenue recognition. Based on the evaluation to date, the Company does not anticipate the adoption of this standard will have a material impact on reported current net sales; however, given our acquisition strategy within diverse business segments, there may be additional revenue streams acquired prior to the adoption date. Further, the Company anticipates providing incremental disaggregated revenue disclosures, including net sales by end market in its Condensed Consolidated Financial Statements, beginning in the first quarter of 2018. The Company continues to evaluate the impact of a cumulative catch-up adjustment, if any, and does not expect it to be significant to the Consolidated Balance Sheet.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*("ASU 2016-02") which requires lessees to recognize a lease liability for the obligation to make lease payments, measured at the present value on a discounted basis, and a right-of-use ("ROU") asset for the right to use the underlying asset for the duration of the lease term, measured at the lease liability amount adjusted for lease prepayments, lease incentives received, and initial direct costs. The lease liability and ROU asset are recognized in the balance sheet at the commencement of the lease. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. Classification will be based on criteria that are largely similar to those applied in current lease accounting. ASU 2016-02 is effective for the Company beginning January 1, 2019 and requires the use of a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period presented in the financial statements. Early application of the ASU is permitted; however, the Company plans to adopt on January 1, 2019. The Company has not yet determined the impact of adopting the standard on the Consolidated Financial Statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires employers to include only the service cost component of net periodic pension cost and net periodic postretirement benefit cost in operating expenses. The other components of net benefit cost, including

amortization of prior service cost/credit, and settlement and curtailment effects, are to be included in non-operating expenses. The ASU also stipulates that only the service cost component of net benefit cost is eligible for capitalization. The effective date for adoption of this guidance begins on January 1, 2018, with early adoption permitted. The Company is currently evaluating the effect that this standard will have on the Consolidated Financial Statements, however does not believe this update will have a significant impact on its consolidated financial statements.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 3—Segment Information

The Company's operating segments are:

Carlisle Construction Materials ("CCM" or "Construction Materials")—the principal products of this segment are insulation materials, rubber ("EPDM"), thermoplastic polyolefin ("TPO"), and polyvinyl chloride ("PVC") roofing membranes used predominantly on non-residential low-sloped roofs, related roofing accessories, including flashings, fasteners, sealing tapes, and coatings and waterproofing products. CCM also manufactures and distributes energy-efficient rigid foam insulation panels for substantially all roofing applications. The markets served include new construction, re-roofing and maintenance of low-sloped roofs, water containment, HVAC sealants, and coatings and waterproofing.

Carlisle Interconnect Technologies ("CIT" or "Interconnect Technologies")—the principal products of this segment are high-performance wire, cable, connectors, contacts, and cable assemblies for the transfer of power and data primarily for the aerospace, medical, defense electronics, test and measurement equipment, and select industrial markets.

Carlisle FoodService Products ("CFS" or "FoodService Products")—the principal products of this segment include commercial and institutional foodservice permanentware, table coverings, cookware, catering equipment, fiberglass and composite material trays and dishes, industrial brooms, brushes, mops, and rotary brushes for commercial and non-commercial foodservice operators and sanitary maintenance professionals.

Carlisle Fluid Technologies ("CFT" or "Fluid Technologies")—the principal products of this segment are industrial liquid and powder finishing equipment and integrated system solutions for spraying, pumping, mixing, metering, and curing of a variety of coatings used in the transportation, general industrial, protective coating, wood, specialty and auto refinishing markets.

Carlisle Brake & Friction ("CBF" or "Brake & Friction")—the principal products of this segment include high-performance brakes and friction material and clutch and transmission friction material for construction, agriculture, mining, aerospace, and motor sports markets.

The Chief Operating Decision Maker ("CODM") uses net sales and earnings before interest and income taxes ("EBIT") as the primary basis to evaluate the performance of each operating segment. The Company's CODM is the Chief Executive Officer.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Segment information is summarized as follows:

Three Months Ended June 30,	**2017**		**2016**	
(in millions)	**Net Sales**	**EBIT**	**Net Sales**	**EBIT**
Carlisle Construction Materials	**$631.2**	**$129.0**	$582.5	$133.1
Carlisle Interconnect Technologies	**201.8**	**20.1**	209.4	39.6
Carlisle FoodService Products	**87.8**	**12.1**	63.5	8.2
Carlisle Fluid Technologies	**71.0**	**7.5**	68.2	7.3
Carlisle Brake & Friction	**79.9**	**1.4**	73.3	4.8
Corporate	**—**	**(11.3)**	—	(14.1)
Total	**$1,071.7**	**$158.8**	$996.9	$178.9

Six Months Ended June 30,	**2017**		**2016**	
(in millions)	**Net Sales**	**EBIT**	**Net Sales**	**EBIT**
Carlisle Construction Materials	**$1,077.3**	**$209.7**	$986.2	$205.4
Carlisle Interconnect Technologies	**396.0**	**42.4**	406.1	76.2
Carlisle FoodService Products	**171.1**	**17.9**	123.9	15.3
Carlisle Fluid Technologies	**131.5**	**12.4**	129.4	14.2
Carlisle Brake & Friction	**153.1**	**2.6**	145.3	8.5
Corporate	**—**	**(29.5)**	—	(30.1)
Total	**$1,929.0**	**$255.5**	$1,790.9	$289.5

Corporate EBIT includes other unallocated costs, primarily general corporate expenses.

Note 4 ~~A~~cquisitions

2017 Acquisitions

Arbo

On January 31, 2017, the Company acquired 100% of the equity of Arbo Holdings Limited (“Arbo”) for estimated consideration of GBP 8.2 million or $10.3 million, net of GBP 1.0 million or $1.2 million cash acquired and including the estimated fair value of contingent consideration of GBP 2.0 million or $2.5 million and a working capital settlement, which was finalized in the second quarter of 2017. Arbo is a provider of sealants, coatings, and membrane systems used for waterproofing and sealing buildings and other structures. The results of operations of the acquired business are reported within the Construction Materials segment.

Consideration has been preliminarily allocated to goodwill of $4.7 million, $2.2 million to definite-lived intangible assets, $2.1 million to inventory, $1.6 million to indefinite-lived intangibles, $1.5 million to accounts receivable, $1.4 million to accounts payable, and $1.4 million to deferred income and other taxes payable. Definite-lived intangible assets consist of customer relationships with an estimated useful life of 15 years. Of the $4.7 million of goodwill, $1.3 million is deductible for tax purposes. All of the goodwill was assigned to the CCM reporting unit, which aligns with the reportable segment.

San Jamar

On January 9, 2017, the Company acquired 100% of the equity of SJ Holdings, Inc. (“San Jamar”) for consideration of $213.7 million, net of $3.5 million cash acquired and inclusive of a working capital settlement, which was finalized in the first quarter of 2017. San Jamar is a provider of universal dispensing systems and food safety products for foodservice and hygiene applications. San Jamar complements the operating performance at FoodService Products by adding new products, opportunities to expand our presence in complementary sales channels, and a history of profitable growth. The results of operations of the acquired business are reported within the FoodService Products segment.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following table summarizes the consideration transferred to acquire San Jamar and the preliminary allocation of the purchase price among the assets acquired and liabilities assumed.

(in millions)	Preliminary Allocation As of 1/9/2017	Measurement Period Adjustments	Revised Preliminary Allocation As of 6/30/2017
Total consideration transferred	$ 217.2	$ —	$ 217.2
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 3.5	$ —	$ 3.5
Receivables	9.1	0.1	9.2
Inventories	13.1	0.3	13.4
Prepaid expenses and other current assets	2.3	0.4	2.7
Property, plant, and equipment	4.2	—	4.2
Definite-lived intangible assets	135.1	—	135.1
Indefinite-lived intangible assets	23.6	—	23.6
Other long-term assets	3.2	(0.3)	2.9
Accounts payable	(7.0)	—	(7.0)
Income tax payable	(0.5)	—	(0.5)
Accrued expenses	(4.3)	(0.9)	(5.2)
Other long-term liabilities	(4.8)	0.7	(4.1)
Deferred income taxes	(47.2)	—	(47.2)
Total identifiable net assets	130.3	0.3	130.6
Goodwill	$ 86.9	$ (0.3)	$ 86.6

The valuation of property, plant, and equipment, intangible assets, and income tax obligations is preliminary. We expect to complete the valuation in the second half of 2017. The goodwill recognized in the acquisition of San Jamar is attributable to its experienced workforce, expected operational improvements through implementation of the Carlisle Operating System (“COS”), opportunities for product line expansions in addition to supply chain efficiencies and other administrative opportunities, and the significant strategic value of the business to Carlisle. Of the $86.6 million of goodwill, $5.0 million is deductible for tax purposes. All of the goodwill was assigned to the CFS reporting unit, which aligns with the reportable segment. The $135.1 million value allocated to definite-lived intangible assets consists of $98.0 million of customer relationships with an estimated useful life of 13 years, various acquired technologies of $36.4 million with useful lives ranging from seven to 10 years, and a non-compete agreement of $0.7 million with an estimated useful life of two years. Indefinite-lived intangible assets consist of acquired trade names.

As a result of the acquisition, the Company recognized approximately $4.1 million of pre-acquisition tax liabilities, with a corresponding indemnification asset of $3.2 million, as the seller has indemnified Carlisle for certain of these liabilities. The indemnification asset will be subsequently measured and recognized on the same basis as the corresponding liability. The related seller indemnification asset will expire in stages through the third quarter of 2021 unless claims are made against the seller prior to that date.

2016 Acquisitions

Star Aviation

On October 3, 2016, the Company acquired 100% of the equity of Star Aviation, Inc. (“Star Aviation”), for consideration of $82.4 million, net of $0.3 million cash acquired and inclusive of a working capital settlement, which was finalized in the fourth quarter of 2016. Star Aviation is a provider of design and engineering services, testing and certification work, and manufactured products for in-flight connectivity applications on commercial, business, and military aircraft. The results of operations of the acquired business are reported within the Interconnect Technologies segment.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following table summarizes the consideration transferred to acquire Star Aviation and the revised preliminary allocation of the purchase price among the assets acquired and liabilities assumed.

(in millions)	Preliminary Allocation As of 10/3/2016	Measurement Period Adjustments	Revised Preliminary Allocation As of 6/30/2017
Total consideration transferred	$ 82.7	$ —	$ 82.7
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 0.3	$ —	$ 0.3
Receivables	5.9	(0.1)	5.8
Inventories	3.1	(0.2)	2.9
Prepaid expenses and other current assets	0.1	—	0.1
Property, plant, and equipment	3.3	(0.3)	3.0
Definite-lived intangible assets	29.0	—	29.0
Accounts payable	(1.3)	0.2	(1.1)
Accrued expenses	(0.8)	0.1	(0.7)
Total identifiable net assets	39.6	(0.3)	39.3
Goodwill	$ 43.1	$ 0.3	$ 43.4

The valuation of property, plant, and equipment and intangible assets is preliminary. We expect to complete the valuation in the third quarter of 2017. The goodwill recognized in the acquisition of Star Aviation is attributable to its experienced workforce, expected operational improvements through implementation of COS, opportunities for product line expansions in addition to supply chain efficiencies and other administrative opportunities, and the significant strategic value of the business to Carlisle. Goodwill of $43.4 million is deductible for tax purposes in the U.S. All of the goodwill was assigned to the CIT reporting unit, which aligns with the reportable segment. The $29.0 million value allocated to definite-lived intangible assets consists of $23.9 million of customer relationships with estimated useful lives ranging from five to 10 years, various acquired technologies of $4.7 million with an estimated useful life of six years, and a non-compete agreement of $0.4 million with a useful life of five years.

Micro-Coax

On June 10, 2016, the Company acquired 100% of the equity of Micro-Coax, Inc., and Kroll Technologies, LLC, (collectively “Micro-Coax”) for total final consideration of $95.1 million, net of $1.5 million cash acquired, inclusive of a working capital settlement. The Company finalized the working capital settlement in the fourth quarter of 2016. The acquired business is a provider of high-performance, high frequency coaxial wire and cable and cable assemblies to the defense, satellite, test and measurement, and other industrial markets. The results of operations of the acquired business are reported within the Interconnect Technologies segment.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following table summarizes the consideration transferred to acquire Micro-Coax and the final allocation of the purchase price among the assets acquired and liabilities assumed.

(in millions)	Preliminary Allocation As of 6/10/2016	Measurement Period Adjustments	Final Allocation As of 6/30/2017
Total consideration transferred	$ 97.3	$ (0.7)	$ 96.6
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 1.5	$ —	$ 1.5
Receivables	6.3	—	6.3
Inventories	8.6	—	8.6
Prepaid expenses and other current assets	0.4	(0.1)	0.3
Property, plant, and equipment	30.0	(14.0)	16.0
Definite-lived intangible assets	31.5	(5.0)	26.5
Indefinite-lived intangible assets	2.0	(2.0)	—
Other long-term assets	1.0	—	1.0
Accounts payable	(1.7)	—	(1.7)
Accrued expenses	(2.4)	(0.1)	(2.5)
Total identifiable net assets	77.2	(21.2)	56.0
Goodwill	$ 20.1	$ 20.5	$ 40.6

The valuation of property, plant, and equipment and intangible assets is final and there have been no changes to the allocation during the six months ended June 30, 2017. The goodwill recognized in the acquisition of Micro-Coax is attributable to its experienced workforce, expected operational improvements through implementation of COS, opportunities for product line expansions in addition to supply chain efficiencies and other administrative opportunities, and the significant strategic value of the business to Carlisle. Goodwill of $40.6 million is deductible for tax purposes in the U.S. All of the goodwill was assigned to the CIT reporting unit, which aligns with the reportable segment. The $26.5 million value allocated to definite-lived intangible assets consists of $14.5 million of customer relationships with a useful life of 12 years, various acquired technologies of $10.6 million with a useful life of approximately seven years, an amortizable trade name of $0.9 million with a useful life of 10 years, and a non-compete agreement of $0.5 million with a useful life of three years.

MS Oberflächentechnik AG

On February 19, 2016, the Company acquired 100% of the equity of MS Oberflächentechnik AG (“MS Powder”), a Swiss-based developer and manufacturer of powder coating systems and related components, for total consideration of CHF 12.3 million, or $12.4 million, including the estimated fair value of contingent consideration of CHF 4.3 million, or $4.3 million. The results of operations of MS Powder are reported within the Fluid Technologies segment.

Consideration has been allocated to definite-lived intangible asset of $9.7 million, $4.1 million to indefinite-lived intangible assets, and $2.2 million to deferred tax liabilities, with $2.9 million allocated to goodwill. Definite-lived intangible assets consist of $8.3 million of technology with a useful life of seven years and customer relationships of $1.4 million with a useful life of ten years. None of the goodwill is deductible for tax purposes. All of the goodwill was assigned to the CFT reporting unit, which aligns with the

reportable segment.

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

LHi Technology

In conjunction with the October 2014 acquisition of LHi Technology ("LHi"), the Company recorded an indemnification asset of $8.7 million in other long-term assets relating to the indemnification of Carlisle for certain pre-acquisition liabilities, principally related to direct and indirect tax uncertainties. During the third quarter of 2016, the Company concluded that $2.6 million of the indirect tax uncertainties were no longer probable, therefore resulting in the reversal of the related indemnification asset and the corresponding liability. The remaining indemnification asset of $6.1 million at June 30, 2017 is included in other current assets. The related seller indemnification will expire during the third quarter of 2017 unless claims are made against the seller prior to that date.

Note 5—Stock-Based Compensation

The Company maintains an Incentive Compensation Program (the "Program") for executives, certain other employees of the Company and its operating segments and subsidiaries, and the Company's non-employee directors. Members of the Board of Directors that receive stock-based compensation are treated as employees for accounting purposes. Shareholders approved the Program on May 6, 2015. The Program allows for awards to eligible employees of stock options, restricted stock, stock appreciation rights, performance shares and units, or other awards based on Company common stock. At June 30, 2017, 3,446,306 shares were available for grant under this plan, of which 1,295,490 shares were available for the issuance of stock awards.

Stock-based compensation cost is recognized over the requisite service period, which generally equals the stated vesting period, unless the stated vesting period exceeds the date upon which an employee reaches retirement eligibility. Stock-based compensation expense is primarily included in selling and administrative expenses in the Condensed Consolidated Statements of Earnings and is as follows:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in millions)	**2017**	**2016**	**2017**	**2016**
Total pre-tax stock-based compensation	**$4.7**	$3.9	**$10.7**	$8.6

Grants

The Company awarded the following stock-based compensation grants:

	Six Months Ended June 30, 2017
Stock options	**364,675**
Restricted stock	**65,637**
Performance shares	**47,285**
Restricted stock units	**12,952**

For the awards granted during the six months ended June 30, 2017, approximately $23.9 million will be expensed over the requisite service period for each award, which generally is consistent with the vesting period.

Stock Option Awards

Options issued under the Program generally have a three year graded vesting (i.e. one-third of total award vests on each anniversary of the grant date). All options have a maximum term life of 10 years. Shares issued to cover options under the Program may be issued from shares held in treasury, from new issuances of shares, or a combination of the two.

Stock-based compensation expense related to stock options were as follows:

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2017**	**2016**	**2017**	**2016**
Pre-tax stock-based compensation	**$1.9**	$1.4	**3.8**	3.0

The Company utilizes the Black-Scholes-Merton ("BSM") option pricing model to determine the fair value of its stock option awards. The BSM model relies on certain assumptions to estimate an option's fair value. The weighted-average assumptions used in the determination of fair value for stock option awards in 2017 and 2016 were as follows:

	2017		**2016**	
Expected dividend yield	**1.3**	**%**	1.4	%
Expected life in years	**5.58**		5.61	
Expected volatility	**25.6**	**%**	27.5	%
Risk-free interest rate	**1.9**	**%**	1.4	%
Weighted-average fair value per share	**$24.57**		$19.30	

The expected life of options is based on the assumption that all outstanding options will be exercised at the midpoint of the valuation (if vested) or the vesting (if unvested) dates and the options' expiration dates, utilizing historical data. The expected volatility is based on historical volatility as well as implied volatility of the Company's options. The risk-free interest rate is based on rates of U.S. Treasury issues with a remaining life equal to the expected life of the option. The expected dividend yield is based on the most recent annual dividend payment per share, divided by the stock price at the date of grant.

Restricted Stock Awards

Restricted stock awarded under the Program is generally released to the recipient after a period of approximately three years. The grant date fair value of the 2017 restricted stock awards is based on the closing market price of the stock on the date of grant.

Performance Share Awards

Performance shares vest based on the employee rendering approximately three years of service to the Company and the attainment of a market condition over the performance period, which is based on the Company's relative total shareholder return versus the S&P Midcap 400 Index® over a pre-determined time period as determined by the Compensation Committee of the Board of Directors. The grant date fair value of the 2017 performance shares was estimated using a Monte-Carlo simulation approach based on a three-year measurement period. Such approach entails the use of assumptions regarding the future performance of the Company's stock and those of the S&P Midcap 400 Index®. Those assumptions include expected volatility, risk-free interest rates, correlation coefficients, and dividend reinvestment. Dividends accrue on the performance shares during the performance period and are to be paid in cash based upon the number of awards ultimately earned. The Company expenses the compensation cost associated with the performance awards on a straight-line basis over the vesting period of approximately

three years.

For the purpose of determining diluted earnings per share, performance share awards are considered contingently issuable shares and are included in diluted earnings per share based upon the number of shares that would have been awarded had the conditions at the end of the reporting period continued until the end of the performance period. See Note 7 for further information regarding earnings per share computations.

Restricted Stock Units

The restricted stock units awarded to eligible members of the Board of Directors are fully vested and will be paid in shares of Company common stock on the earlier of the date after the Director ceases to serve as a member of the Board or upon a change in control of the Company. The grant date fair value of the 2017 restricted stock units was based on the closing market price of the stock on the date of grant.

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Deferred Compensation - Equity

Certain employees are eligible to participate in the Company's Non-qualified Deferred Compensation Plan (the "Deferred Compensation Plan"). Participants may elect to defer all or part of their restricted and performance shares. Participants have elected to defer 308,304 shares of Company common stock vested as of June 30, 2017, and 294,574 shares vested as of December 31, 2016. Company stock held for future issuance of vested awards is classified as deferred compensation equity in the Condensed Consolidated Balance Sheets and is recorded at grant date fair value.

Note 6—Income Taxes

The effective income tax rate on continuing operations for the six months ended June 30, 2017 was 32.3%. The year-to-date provision for income taxes includes taxes on earnings at an anticipated rate of approximately 34.4% and a year-to-date discrete tax benefit of $5.1 million, of which $3.5 million related to the benefit from the adoption of ASU 2016-09. Under this guidance all excess tax benefits ("windfalls") and deficiencies ("shortfalls") related to employee stock compensation will be recognized within income tax expense. Under prior guidance, windfalls were recognized in additional paid-in capital and shortfalls were only recognized as tax expense to the extent they exceeded the pool of windfall tax benefits. The Company adopted ASU 2016-09 effective January 1, 2017. The adoption was on a prospective basis and therefore had no impact on prior periods. See Note 2 for further information related to the change in accounting for tax benefits associated with stock-based compensation.
The effective income tax rate on continuing operations for the six months ended June 30, 2016 was 32.6% and included a year-to-date net discrete tax benefit of $1.1 million.

Note 7—Earnings Per Share

The Company's restricted shares and restricted stock units contain non-forfeitable rights to dividends and, therefore, are considered participating securities for purposes of computing earnings per share pursuant to the two-class method. The computation below of earnings per share excludes the income attributable to the unvested restricted shares and restricted stock units from the numerator and excludes the dilutive impact of those underlying shares from the denominator. Stock options are included in the calculation of diluted earnings per share utilizing the treasury stock method, and performance share awards are included in the calculation of diluted earnings per share considering those that are contingently issuable. Neither is considered to be a participating security, as they do not contain non-forfeitable dividend rights.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following reflects income from continuing operations and share data used in the basic and diluted earnings per share computations using the two-class method:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions except share and per share amounts)	**2017**	**2016**	**2017**	**2016**
Income from continuing operations	**$102.3**	$115.3	**$163.8**	$183.8
Less: dividends declared - common stock outstanding, restricted shares and restricted share units	**(23.1)**	(19.5)	**(45.8)**	(39.0)
Undistributed earnings	**79.2**	95.8	**118.0**	144.8
Percent allocated to common shareholders [1]	**99.4 %**	99.3 %	**99.4 %**	99.3 %
	78.7	95.1	**117.3**	143.8
Add: dividends declared - common stock	**22.4**	19.3	**44.9**	38.5
Income from continuing operations attributable to common shares	**$101.1**	$114.4	**$162.2**	$182.3
Shares (in thousands):				
Weighted-average common shares outstanding	**63,746**	64,246	**64,048**	64,131
Effect of dilutive securities:				
Performance awards	**69**	445	**69**	445
Stock options	**325**	421	**356**	474
Adjusted weighted-average common shares outstanding and assumed conversion	**64,140**	65,112	**64,473**	65,050
Per share income from continuing operations attributable to common shares:				
Basic	**$1.59**	$1.78	**$2.53**	$2.84
Diluted	**$1.58**	$1.75	**$2.52**	$2.80
[1] Basic weighted-average common shares outstanding	**63,746**	64,246	**64,048**	64,131
Basic weighted-average common shares outstanding, unvested restricted shares expected to vest and restricted share units	**64,160**	64,703	**64,462**	64,587
Percent allocated to common shareholders	**99.4 %**	99.3 %	**99.4 %**	99.3 %

To calculate earnings per share for income from discontinued operations and for net income, the denominator for both basic and diluted earnings per share is the same as used in the above table. Income from discontinued operations and net income used in the basic and diluted earnings per share computations were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions except share amounts presented in thousands)	**2017**	**2016**	**2017**	**2016**
(Loss) income from discontinued operations attributable to common shareholders for basic and diluted earnings per share	**$—**	$(0.1)	**$0.3**	$(0.1)
Net income attributable to common shareholders for basic and diluted earnings per share	**$101.1**	$114.3	**$162.5**	$182.2
Anti-dilutive stock options excluded from EPS calculation [1]	**379**	54	**285**	387

[1] Represents stock options excluded from the calculation of diluted earnings per share, as such, options' assumed proceeds upon exercise would result in the repurchase of more shares than the underlying award.

Note 8—Inventories

The components of inventory are summarized as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Finished goods	**$ 246.1**	$ 218.6
Work-in-process	**64.7**	51.3
Raw materials	**161.4**	143.4
Reserves	**(36.2)**	(36.3)
Inventories	**$ 436.0**	$ 377.0

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 9—Property, Plant, and Equipment, net

The components of property, plant, and equipment, net are summarized as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Land and land improvements	**$98.4**	$ 94.7
Buildings and leasehold improvements	**324.7**	308.0
Machinery and equipment	**756.3**	717.9
Furniture, fixtures, and other	**76.9**	66.8
Projects in progress	**80.2**	57.5
Property, plant, and equipment, gross	**1,336.5**	1,244.9
Accumulated depreciation	**(653.4)**	(612.7)
Property, plant, and equipment, net	**$683.1**	$ 632.2

Note 10—Goodwill and Other Intangible Assets, net

The changes in the carrying amount of goodwill for the six months ended June 30, were as follows:

(in millions)	**Construction Materials**	**Interconnect Technologies**	**FoodService Products**	**Fluid Technologies**	**Brake and Friction**	**Total**
Balance at January 1, 2017	$ 117.5	$ 639.1	$ 60.3	$ 167.9	$ 96.4	$1,081.2
Goodwill acquired during year [1]	4.7	—	86.6	—	—	91.3
Currency translation and other	4.3	1.3	—	2.0	0.1	7.7
Balance at June 30, 2017	**$ 126.5**	**$ 640.4**	**$ 146.9**	**$ 169.9**	**$ 96.5**	**$1,180.2**

[1] See Note 4 for further information on goodwill resulting from recent acquisitions.

The Company’s other intangible assets, net atJune 30, 2017, were as follows:

(in millions)	**Acquired Cost**	**Accumulated Amortization**	**Net Book Value**
Assets subject to amortization:			
Customer relationships	$811.5	$ (229.8)	$581.7
Intellectual property	240.7	(85.6)	155.1
Other	16.4	(12.1)	4.3
Assets not subject to amortization:			
Trade names	264.2	—	264.2
Other intangible assets, net	**$1,332.8**	**$ (327.5)**	**$1,005.3**

The Company’s other intangible assets, net atDecember 31, 2016, were as follows:

(in millions)	**Acquired Cost**	**Accumulated Amortization**	**Net Book Value**
Assets subject to amortization:			
Customer relationships	$704.3	$ (201.6)	$502.7
Intellectual property	200.7	(72.4)	128.3
Other	15.4	(11.7)	3.7

Assets not subject to amortization:			
Trade names	237.5	—	237.5
Other intangible assets, net	$1,157.9	$ (285.7)	$872.2

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The net book values of other intangible assets, net by reportable segment were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Carlisle Construction Materials	**$61.1**	$ 55.2
Carlisle Interconnect Technologies	**362.2**	379.1
Carlisle FoodService Products	**176.7**	24.9
Carlisle Fluid Technologies	**309.2**	313.7
Carlisle Brake & Friction	**96.1**	99.3
Total	**$1,005.3**	$ 872.2

Note 11—Commitments and Contingencies

Leases

The Company currently leases a portion of its manufacturing facilities, distribution centers and equipment, some of which include scheduled rent increases stated in the lease agreement. The Company currently has no leases that require rent to be paid based on contingent events. Rent expense, inclusive of rent based on scheduled rent increases and rent holidays recognized on a straight-line basis, was as follows:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in millions)	**2017**	**2016**	**2017**	**2016**
Rent expense	**$7.1**	$6.7	**$14.4**	$13.4

Workers' Compensation Claims and Related Losses

Workers' compensation claims accruals were included in the Condensed Consolidated Balance Sheets as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Compensation and benefits - accrued expenses	**$ 5.1**	$ 5.8
Other long-term liabilities	**11.5**	12.3
Total workers' compensation liability	**$ 16.6**	$ 18.1

The liability related to workers' compensation claims, both those reported to the Company and an estimate for those incurred but not yet reported, is based on actuarial estimates and loss development factors and the Company's historical loss experience.

The Company maintains occurrence-based insurance coverage with certain insurance carriers in accordance with its risk management practices that provides for reimbursement of workers' compensation claims in excess of $0.5 million. The Company records a recovery receivable from the insurance carriers when such recovery is deemed probable based on the nature of the claim and history of recoveries. At June 30, 2017 and December 31, 2016, the Company did not have any recovery receivables recorded for workers' compensation claims.

Letters of Credit and Guarantees

During the normal course of business, the Company enters into commitments in the form of letters of credit and bank guarantees to provide financial and performance assurance to third parties. In April 2017, we entered into an uncommitted letter of credit and reimbursement agreement under which we may enter into commitments in the form of documentary credits, performance letters of credit or standby letters of credit for amounts not to exceed $30.0 million. See Note 12 for information regarding additional letters of credit available under the Revolving Credit Facility.

Letters of credit and bank guarantees outstanding under existing agreements were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Letters of credit and bank guarantees outstanding	**$ 34.4**	$ 28.7

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Litigation

Over the years, the Company has been named as a defendant, along with numerous other defendants, in lawsuits in various state courts in which plaintiffs have alleged injury due to exposure to asbestos-containing brakes, which Carlisle manufactured in limited amounts between the late-1940s and the mid-1980s. In addition to compensatory awards, these lawsuits may also seek punitive damages. Generally, the Company has obtained dismissals or settlements of its asbestos-related lawsuits with no material effect on its financial condition, results of operations, or cash flows. The Company maintains insurance coverage that applies to the Company's defense costs and payments of settlements or judgments in connection with asbestos-related lawsuits. At this time, the amount of reasonably possible additional asbestos claims, if any, is not material to the Company's financial position, results of operations, or operating cash flows, although these matters could result in the Company being subject to monetary damages, costs or expenses, and charges against earnings in particular periods.

The Company may occasionally be involved in various other legal actions arising in the normal course of business. In the opinion of management, the ultimate outcome of such actions, either individually or in the aggregate, will not have a material adverse effect on the consolidated financial position, results of operations for a particular period, or annual operating cash flows of the Company.

Environmental Matters

The Company is subject to increasingly stringent environmental laws and regulations, including those relating to air emissions, wastewater discharges, chemical and hazardous waste management, and disposal. Some of these environmental laws hold owners or operators of land or businesses liable for their own and for previous owners' or operators' releases of hazardous or toxic substances or wastes. Other environmental laws and regulations require the obtainment of and compliance with environmental permits. To date, costs of complying with environmental, health, and safety requirements have not been material, and we did not have any significant accruals related to potential future costs of environmental remediation as of June 30, 2017, nor do we have an asset retirement obligation recorded as of that date. However, the nature of the Company's operations and its long history of industrial activities at certain of its current or former facilities, as well as those acquired, could potentially result in material environmental liabilities or asset retirement obligations.

While the Company must comply with existing and pending climate change legislation, regulation, international treaties or accords, current laws and regulations do not have a material impact on its business, capital expenditures or financial position. Future events, including those relating to climate change or greenhouse gas regulation, could require the Company to incur expenses related to the modification or curtailment of operations, installation of pollution control equipment, or investigation and cleanup of contaminated sites.

Note 12—Long-term Debt

Long-term debt is summarized as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**	**Fair Value [1] June 30, 2017**	**December 31, 2016**
3.75% notes due 2022	**$ 350.0**	$ 350.0	**$ 360.0**	$ 347.2
5.125% notes due 2020	**250.0**	250.0	**268.6**	263.1
Revolving credit facility	**110.0**	—	**110.0**	—
Unamortized discount, debt issuance costs, and other	**(3.3)**	(3.6)		
Total long term-debt	**$ 706.7**	$ 596.4		

[1] The fair value is estimated based on current yield rates plus the Company's estimated credit spread available for financings with similar terms and maturities. Based on these inputs, the debt instruments are classified as Level 2 in the fair value hierarchy.

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Revolving Credit Facility (the "Facility")

On February 21, 2017, the Company entered into a second amendment (the "Amendment") to the Company's Third Amended and Restated Credit Agreement (the “Credit Agreement”) administered by JPMorgan Chase Bank, N.A. Among other things, the Amendment increased the lenders' aggregate revolving commitment from $600.0 million to $1.0 billion and extended the maturity date of the Facility from December 12, 2018 to February 21, 2022. During the first quarter of 2017, the Company incurred $1.4 million of debt issuance costs to finalize the amendment, which will be recognized ratably over the extended maturity date of the Facility. The Facility has a feature that allows the Company to increase availability, at our option, by an aggregate amount of up to $500.0 million through increased commitments from existing lenders or the addition of new lenders. Under the Facility, the Company may also enter into commitments in the form of standby, commercial, or direct pay letters of credit for an amount not to exceed $50.0 million. The Facility provides for variable interest pricing based on the credit rating of the senior unsecured bank debt or other unsecured senior debt. The Facility is also subject to fees based on applicable rates as defined in the agreement and the aggregate commitment, regardless of usage.

During the six months ended June 30, 2017, there were borrowings under the Facility of $263.0 million with a weighted average interest rate 2.91%. At June 30, 2017, the Facility had an outstanding balance of $110.0 million with an effective interest rate of 2.32% and $890.0 million of availability. During the year ended and as of December 31, 2016 there were no borrowings under the Facility.

Covenants and Limitations

Under the Company’s debt and credit facilities, the Company is required to meet various restrictive covenants and limitations, including limitations on certain leverage ratios, interest coverage, and limits on outstanding debt balances held by certain subsidiaries. The Company was in compliance with all covenants and limitations as of June 30, 2017 and December 31, 2016.

Note 13—Retirement Plans

Defined Benefit Plans

The Company recognizes net periodic benefit cost based on the actuarial analysis performed at the previous year end, adjusted if certain significant events occur during the year.

The components of net periodic benefit cost were as follows:

(in millions)	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2017	**2016**	**2017**	**2016**
Service cost	**$0.6**	$0.9	**$1.3**	$1.7
Interest cost	**1.3**	1.4	**2.6**	2.7
Expected return on plan assets	**(2.6)**	(2.6)	**(5.1)**	(5.1)
Amortization of unrecognized loss	**0.7**	0.6	**1.3**	1.2
Net periodic benefit cost	**$—**	$0.3	**$0.1**	$0.5

Defined Contribution Plans

The Company maintains defined contribution savings plans covering a significant portion of its eligible employees. Participant contributions are matched by the Company up to a 4.0% maximum of eligible compensation, subject to compensation and contribution limits as defined by the Internal Revenue Service. Employer contributions for the savings plans were as follows:

(in millions)	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2017	**2016**	**2017**	**2016**
Employer contributions	**$3.5**	$3.1	**$8.2**	$7.2

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Matching contributions are invested in funds as directed by participants. Eligible participants may also elect to invest up to 50.0% of the Company's matching contribution in Company common stock. Common shares held by the contribution savings plan were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Common shares held	**1.2**	1.2

Note 14—Deferred Revenue and Extended Product Warranty

Deferred revenue consists primarily of unearned revenue related to separately priced extended product warranty contracts on sales of certain products, the most significant being those offered on the installed roofing systems within the Construction Materials segment. Other deferred revenue relates to customer prepayments on sales within the Fluid Technologies segment.

Deferred revenue related to our separately priced extended warranty contracts recognized in the Condensed Consolidated Statements of Earnings were as follows:

(in millions)	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2017	**2016**	**2017**	**2016**
Extended product warranty contracts amortization	**$5.1**	$4.9	**$10.0**	$9.6

Deferred revenue included in the Condensed Consolidated Balance Sheets were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Extended product warranty contracts - current	**$19.0**	$ 18.8
Customer prepayments - current	**12.2**	4.4
Extended product warranty contracts - long-term	**177.3**	172.0
Deferred revenue	**$208.5**	$ 195.2

Expected costs of services to be performed under our roofing systems extended product warranty contracts are actuarially determined. Any expected costs in excess of deferred revenue are recognized within accrued expenses.

Note 15—Accrued Expenses

The components of accrued expenses were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Compensation and benefits	**$90.1**	$ 97.9
Standard product warranties	**31.2**	29.5
Customer incentives	**41.6**	58.1
Income and other accrued taxes	**36.2**	14.2
Other accrued expenses	**36.2**	47.0
Accrued expenses	**$235.3**	$ 246.7

Standard product warranties

The Company offers various standard warranty programs on its products, primarily for certain installed roofing systems, high-performance cables and assemblies, fluid technologies, braking products, and foodservice equipment. The Company's liability for such warranty programs is included in accrued expenses.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

The change in standard product warranty liabilities for the six months ended June 30, were as follows:

(in millions)	**2017**	**2016**
Balance at January 1	**$29.5**	$28.9
Current year provision	**9.0**	10.9
Current year claims	**(7.9)**	(14.6)
Currency translation	**0.6**	—
Balance at June 30	**$31.2**	$25.2

Note 16—Other Long-Term Liabilities

The components of other long-term liabilities were as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Deferred taxes and other tax liabilities	**$193.9**	$ 144.1
Pension and other post-retirement obligations	**26.7**	27.1
Deferred compensation	**23.0**	21.2
Long-term workers' compensation	**11.5**	12.3
Other	**15.4**	12.3
Other long-term liabilities	**$270.5**	$ 217.0

Deferred Compensation

The Company’s Deferred Compensation Plan allows certain eligible participants to defer a portion of their cash compensation and provides a matching contribution to the deferred compensation plan of up to 4.0% of eligible compensation. Eligible compensation may be deferred up to 10 years and distributed via lump sum or annual payment installments over an additional 10-year period. Participants allocate their deferred compensation amongst various investment options with earnings accruing to the participant.

The Company has established a Rabbi Trust to provide for a degree of financial security to cover these obligations. Contributions to the Rabbi Trust by the Company are made at the discretion of management and generally are made in cash and invested in money-market funds. The Company consolidates the Rabbi Trust and therefore includes the investments in its Consolidated Balance Sheets. At June 30, 2017 and December 31, 2016, the Company's Rabbi Trust had $13.3 million and $11.7 million of cash, respectively and $3.3 million and $2.6 million of short-term investments, respectively. Management has classified these instruments as trading securities and therefore gains and losses are recorded in earnings with cash flows presented as operating cash flows.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 17—Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss by component for the three months and six months ended June 30, were as follows:

(in millions)	**Accrued post-retirement benefit liability (1)**	**Foreign currency translation**	**Other, net**	**Total**
Balance at April 1, 2017	$ (26.0)	$ (85.3)	$0.8	$(110.5)
Other comprehensive income (loss) before reclassifications	—	19.8	(0.3)	19.5
Amounts reclassified from accumulated other comprehensive loss	0.7	—	(0.3)	0.4
Income tax expense	(0.3)	—	—	(0.3)
Other comprehensive income (loss)	0.4	19.8	(0.6)	19.6
Balance at June 30, 2017	**$ (25.6)**	**$ (65.5)**	**$0.2**	**$(90.9)**
Balance at April 1, 2016	$ (27.0)	$ (49.8)	$0.1	$(76.7)
Other comprehensive loss before reclassifications	—	(15.0)	—	(15.0)
Amounts reclassified from accumulated other comprehensive loss	0.6	—	(0.1)	0.5
Net income tax expense	(0.2)	—	—	(0.2)
Other comprehensive income (loss)	0.4	(15.0)	(0.1)	(14.7)
Balance at June 30, 2016	$ (26.6)	$ (64.8)	$—	$(91.4)
Balance at January 1, 2017	$ (26.4)	$ (96.7)	$0.9	$(122.2)
Other comprehensive income (loss) before reclassifications	—	31.2	(0.2)	31.0
Amounts reclassified from accumulated other comprehensive loss	1.3	—	(0.5)	0.8
Income tax expense	(0.5)	—	—	(0.5)
Other comprehensive income (loss)	0.8	31.2	(0.7)	31.3
Balance at June 30, 2017	**$ (25.6)**	**$ (65.5)**	**$0.2**	**$(90.9)**
Balance at January 1, 2016	$ (27.4)	$ (60.0)	$0.3	$(87.1)
Other comprehensive loss before reclassifications	—	(4.8)	—	(4.8)
Amounts reclassified from accumulated other comprehensive loss	1.2	—	(0.4)	0.8
Income tax (expense) benefit	(0.4)	—	0.1	(0.3)
Other comprehensive income (loss)	0.8	(4.8)	(0.3)	(4.3)
Balance at June 30, 2016	$ (26.6)	$ (64.8)	$—	$(91.4)

(1) Current period amounts for the accrued post-retirement benefit liability are related to the amortization of unrecognized actuarial gains and losses, which is included in net periodic benefit cost for pension and other post-retirement welfare plans. See Note 13 for further information.

Note 18—Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts to hedge a portion of its foreign currency exchange rate exposure to forecasted foreign currency denominated cash flows. These instruments are not held for speculative or trading purposes.

For instruments that are designated and qualify as cash flow hedges, the Company had foreign exchange contracts with maturities less than one year and an aggregate U.S. dollar equivalent notional value of $7.8 million and $17.6 million at June 30, 2017 and December 31, 2016, respectively. The gross fair value was insignificant at June 30, 2017 and December 31, 2016. The effective portion of changes in the fair value of the contracts is recorded in accumulated other comprehensive loss in the Condensed Consolidated Statements of Shareholders' Equity and is recognized in operating income when the underlying forecasted transaction impacts earnings.

Table of Contents
Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

For instruments that are not designated as a cash flow hedge, the Company had foreign exchange contracts with maturities less than one year and an aggregate U.S. dollar equivalent notional value of $38.3 million and $39.3 million at June 30, 2017 and December 31, 2016, respectively. The gross fair value was insignificant at June 30, 2017 and December 31, 2016. The unrealized gains and losses resulting from these contracts were immaterial and are recognized in other income, net and partially offset corresponding foreign exchange gains and losses on these balances.

The fair value of foreign currency forward contracts is included in other current assets. The fair value was estimated using observable market inputs such as forward and spot prices of the underlying exchange rate pair. Based on these inputs, derivative assets and liabilities are classified as Level 2 in the fair value hierarchy.

Note 19—Exit and Disposal Activities

The Company has undertaken operational restructuring and other cost reduction actions to streamline processes and manage costs throughout various departments within the Company. The Company implemented cost reduction plans, which resulted in exit, disposal, and employee termination benefit costs, primarily resulting from planned reductions in workforce, facility consolidations and relocations, and lease termination costs, as further discussed below.

Interconnect Technologies

During 2017, Carlisle Interconnect Technologies initiated plans to relocate certain of its aerospace manufacturing operations in Littleborough, United Kingdom to an existing manufacturing operation. During the second quarter and the six months ended June 30, 2017, CIT recognized $0.4 million and $1.3 million of employee severance costs, respectively. Total employee severance expenses are expected to approximate $1.5 million, with expenses to be recognized through the third quarter of 2017.

As previously announced, CIT is incurring costs related to planned growth opportunities and long-term cost competitiveness improvements in the medical business. During the second quarter and the six months ended June 30, 2017, we expensed an additional $2.0 million and $2.6 million of employee termination benefits related to this action, respectively. The aggregate amount of cumulative expense recognized is $10.2 million through June 30, 2017, with total expected costs to be approximately $14.0 million, with the incremental expenses to be recognized primarily through the second half of 2018. Cash payments will be incurred beginning in the second half of 2017 through the second half of 2018. Other associated costs are not expected to be significant.

Fluid Technologies

As previously announced, Carlisle Fluid Technologies is incurring costs related to the relocation of administrative functions and facilities within the U.S. During the second quarter and the six months ended June 30, 2017, we recognized $0.5 million and $1.0 million of additional expenses respectively, primarily relocation and facility closure costs. The aggregate amount of cumulative expense recognized is $5.1 million through June 30, 2017, with total expected costs to be approximately $5.2 million. The remaining amounts will be incurred principally through the fourth quarter of 2017.

Brake & Friction

On February 9, 2017, the Company announced that it would exit its manufacturing operations in Tulsa, Oklahoma and relocate the majority of those operations to its existing manufacturing facility in Medina, Ohio. This action is expected to take approximately 18 to 21 months to complete. Total associated exit and disposal costs are expected to be between $18.0 million to $21.0 million, including:

- Non-cash accelerated depreciation of long-lived assets at the Oklahoma facility, which is primarily property, plant and equipment that will not be transferred to Ohio (between $6.0 million to $7.0 million expected to be recognized ratably through the first quarter of 2019),
- Costs to relocate and install equipment (between $5.5 million to $7.0 million, expected to be incurred primarily in the second half of 2018),
- Employee retention and termination benefits (approximately $2.5 million, expected to be incurred ratably through the second half of 2018),

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

- Other associated costs related to the closure of the facility and internal administration of the project (between $4.0 million to $4.5 million, expected to be incurred primarily in the second half of 2018).

During the second quarter and the six months ended June 30, 2017, the Company incurred $1.7 million and $2.0 million of exit and disposal expenses respectively, primarily related to other miscellaneous costs of managing the projects.

Consolidated Summary

The Company's exit and disposal expense by activity is as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Employee severance and benefit arrangements	**$3.0**	$1.0	**$5.4**	$2.4
Relocation costs	**0.6**	1.4	**0.9**	1.4
Other restructuring costs	**1.4**	0.3	**1.9**	0.3
Total exit and disposal costs	**$5.0**	$2.7	**$8.2**	$4.1

The Company's exit and disposal activities expense by segment is as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Carlisle Interconnect Technologies	**$2.5**	$—	**$4.8**	$—
Carlisle Fluid Technologies	**0.5**	1.9	**1.0**	3.0
Carlisle Brake & Friction	**1.7**	—	**2.0**	—
Corporate	**0.3**	0.8	**0.4**	1.1
Total exit and disposal costs	**$5.0**	$2.7	**$8.2**	$4.1

The Company's exit and disposal activities expense by financial statement line item is as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Cost of goods sold	**$2.0**	$—	**$3.8**	$—
Selling and administrative expenses	**3.0**	2.5	**4.3**	3.9
Research and development expenses	**—**	—	**0.1**	—
Other income, net	**—**	0.2	**—**	0.2
Total exit and disposal costs	**$5.0**	$2.7	**$8.2**	$4.1

The Company's change in exit and disposal activities liability is as follows:

(in millions)	Carlisle Interconnect Technologies	Carlisle Fluid Technologies	Carlisle Brake & Friction	Corporate	Total
Balance at January 1, 2017	$ 7.6	$ 0.7	$ —	$ 0.7	$9.0
Charges	4.8	1.0	2.0	0.4	8.2

Cash payments	(1.5)	(1.4)	(1.0)	(0.8)	(4.7)
Other adjustments and non-cash settlements	0.7	(0.2)	(0.7)	—	(0.2)
Balance at June 30, 2017	**$ 11.6**	**$ 0.1**	**$ 0.3**	**$ 0.3**	**$12.3**

The liability of $12.3 million primarily relates to employee severance and benefit arrangements, and is included in accrued expenses in the Consolidated Balance Sheet.

Table of Contents

Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 20—Subsequent Events

On July 3, 2017, the Company acquired Drexel Metals, Inc., ("Drexel") for estimated consideration of $54.0 million, net of cash acquired and to be adjusted for a working capital settlement. Drexel is a leading provider of architectural standing seam metal roofing systems for commercial, institutional and residential applications. The preliminary purchase price allocation is in its early stages and all items are pending valuation. The results of operations of the acquired business will be reported within the Construction Materials segment.

Table of Contents

Carlisle Companies Incorporated

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Carlisle Companies Incorporated ("Carlisle", the "Company", "we", "us" or "our") is a multi-national company that designs, manufactures, and sells a wide range of products primarily throughout North America, Western Europe, and the Asia Pacific region. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of Company management. The Company's MD&A is divided into the following main sections:

- Executive Overview
- Acquisitions
- Consolidated Results of Operations
- Segment Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates
- Forward-Looking Statements

Executive Overview

General

We are focused on achieving profitable growth both organically, through new product development, product line extensions, and entering new markets, as well as through acquisitions of businesses that complement our existing technologies, products, and market channels. Resources are allocated among the operating companies based on management's assessment of their ability to obtain leadership positions and competitive advantages in the markets they serve.

A key philosophy in how we drive profitable growth organically is the Carlisle Operating System (''COS''). COS is a manufacturing structure and strategy deployment system based on lean enterprise and six sigma principles and is a continuous improvement process that defines the way we do business. Waste is eliminated and efficiencies improved enterprise wide, allowing us to increase profitability, generate cash, and pursue growth opportunities.

Business Performance

(in millions, except per share amounts)	**Three Months Ended June 30,**			**Six Months Ended June 30,**		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Net sales	**$1,071.7**	$996.9	7.5 %	**$1,929.0**	$1,790.9	7.7 %
Income from continuing operations	**$102.3**	$115.3	(11.3)%	**$163.8**	$183.8	(10.9)%
Diluted EPS from continuing operations	**$1.58**	$1.75	(9.7)%	**$2.52**	$2.80	(10.0)%
EBIT	**$158.8**	$178.9	(11.2)%	**$255.5**	$289.5	(11.7)%
EBIT Margin	**14.8 %**	17.9 %	(310) bps	**13.2 %**	16.2 %	(300) bps

Second Quarter of 2017 Compared to Second Quarter of 2016

Net sales increase in the second quarter of 2017 primarily reflected higher net sales volume at Construction Materials due to favorable commercial roofing market conditions and contribution from acquisitions in the FoodService Products and Interconnect Technologies segments. These increases were partially offset by

lower sales volume at Interconnect Technologies, primarily due to technology changes in aerospace in-flight communication and in-sourcing initiatives by a large commercial aerospace customer.

The decrease in income from continuing operations, EBIT and EBIT margin in the second quarter of 2017 primarily reflected unfavorable operating performance at Interconnect Technologies, as a result of technology changes in aerospace in-flight communication and customer in-sourcing, unfavorable price and raw material cost dynamics in the Construction Materials segment, and $8.1 million of pre-tax charges for facility rationalization and plant restructuring initiatives, primarily at Interconnect Technologies. The decrease was partially offset by sales volume increases in the Construction Materials and Brake & Friction segments and savings from COS.

Table of Contents
Carlisle Companies Incorporated

First Six Months of 2017 Compared to First Six Months of 2016

Net sales increased in the first six months of 2017, primarily due to higher net sales volume at Construction Materials related to the strength of the domestic roofing business as well as contribution from acquisitions, primarily San Jamar, in the FoodService Products segment. These increases were partially offset by the aforementioned lower sales volume at Interconnect Technologies, due to the technology shift from standard in-flight entertainment ("IFE") products and customer in-sourcing efforts.

The decrease in income from continuing operations, EBIT and EBIT margin in the first six months of 2017 was primarily due to unfavorable operating performance at Interconnect Technologies as well as unfavorable raw material dynamics, approximately $13.3 million of charges for facility rationalization and plant restructuring projects, and $4.3 million of acquired inventory costs. Partially offsetting the year-over-year decline were higher net sales volumes in the Construction Materials and Brake & Friction segments and savings from COS.

We generated $134.7 million in operating cash flows in the first six months of 2017. We utilized cash on hand, cash provided by operations, and funds from our Revolving Credit Facility to fund acquisitions, fund capital projects, and pay dividends to shareholders.

Matters Impacting Future Results

For the year, we continue to plan for total net sales growth to be in the mid-to-high-single digit percent range. We expect capital expenditures will be approximately $125 to $150 million as investments identified for expansion at CCM, CIT, and CFT move forward and the additional cost reduction improvements at CBF related to their footprint rationalization efforts continue.

Acquisitions

2017 Acquisitions

On July 3, 2017, we acquired Drexel Metals, Inc., ("Drexel") for estimated consideration of $54.0 million, net of cash acquired and to be adjusted for a working capital settlement, utilizing funds from our Revolving Credit Facility. Drexel is a leading provider of architectural standing seam metal roofing systems for commercial, institutional and residential applications. The results of operations of the acquired business will be reported within the Construction Materials segment.

On January 31, 2017, we acquired Arbo Holdings Limited (“Arbo”) for consideration of $10.3 million, net of $1.2 million cash acquired and including the estimated fair value of contingent consideration of $2.5 million. Arbo is a leading provider of sealants, coatings, and membrane systems used for waterproofing and sealing buildings and other structures. The results of operations of the acquired business are reported within the Construction Materials segment.

On January 9, 2017, we acquired SJ Holdings, Inc., (“San Jamar”), for consideration of $213.7 million, net of $3.5 million cash acquired. San Jamar is a leading provider of universal dispensing systems and food safety products for foodservice and hygiene applications. San Jamar complements the operating performance at FoodService Products by adding innovative new products, opportunities to expand our presence in complementary sales channels, and adding a history of profitable growth. The results of operations of the acquired business are reported within the FoodService Products segment.

2016 Acquisitions

On October 3, 2016, we acquired Star Aviation, Inc. (“Star Aviation”), for consideration of $82.4 million, net of $0.3 million cash acquired, inclusive of a working capital settlement. Star Aviation is a leading provider of design and engineering services, testing and certification work, and manufactured products for in-flight connectivity applications on commercial, business, and military aircraft. Star Aviation complements CIT’s highly specialized engineering and design capabilities in the in-flight connectivity market, where we expect further growth opportunities from the demand for retro-fit and line-fit for satellite connectivity, as well as, development in emerging connectivity technologies. The results of operations of the acquired business are reported within the Interconnect Technologies segment.

Table of Contents

Carlisle Companies Incorporated

On June 10, 2016, we acquired Micro-Coax, Inc., and Kroll Technologies, LLC, (collectively “Micro-Coax”) for consideration of $95.1 million, net of $1.5 million cash acquired, inclusive of a working capital settlement. The acquired business is a provider of high-performance, high frequency coaxial wire and cable, and cable assemblies to the defense, satellite, test and measurement, and other industrial markets. The results of operations of the acquired business are reported within the Interconnect Technologies segment.

On February 19, 2016, we acquired MS Oberflächentechnik AG (“MS Powder”), a Swiss-based developer and manufacturer of powder coating systems and related components, for consideration of $12.4 million, including the estimated fair value of contingent consideration of $4.3 million. The results of operations of MS Powder are reported within the Fluid Technologies segment.

Consolidated Results of Operations

Net Sales

(in millions)	Three Months Ended June 30, 2017	2016	Change	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$1,071.7**	$996.9	7.5 %	4.2 %	4.2 %	(0.2)%	(0.7)%

The increase in net sales from acquired businesses in the second quarter of 2017 primarily reflected contribution of $22.7 million from the acquisition of San Jamar in the FoodService Products segment and $15.3 million primarily from the acquisitions of Micro-Coax and Star Aviation in the Interconnect Technologies segment. The increase in net sales volume in the second quarter of 2017 primarily reflected strength of the domestic roofing business as well as higher demand for our brake and friction products. These increases were partially offset by lower sales volume at Interconnect Technologies, primarily due to the aforementioned technology change from standard IFE products towards satellite connectivity platforms and in-sourcing initiatives by a large commercial aerospace customer. Foreign currency had an unfavorable impact on net sales. The negative impact of price primarily reflected lower selling price for our commercial roofing products.

(in millions)	Six Months Ended June 30, 2017	2016	Change	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$1,929.0**	$1,790.9	7.7 %	4.5 %	4.4 %	(0.5)%	(0.7)%

The increase in net sales from acquired businesses in the first six months of 2017 primarily reflected contribution of $42.0 million from the acquisition of San Jamar in the FoodService Products segment and $31.0 million primarily from the acquisitions of Micro-Coax and Star Aviation in the Interconnect Technologies segment. The increase in net sales volume in the first six months of 2017 primarily reflected higher demand for our commercial roofing and brake and friction products. These increases were partially offset by lower sales volume at Interconnect Technologies as previously mentioned. The negative impact of price was driven by the aforementioned factor.

Gross Margin

(in millions)	Three Months Ended June 30, 2017	2016	Change	Six Months Ended June 30, 2017	2016	Change
Gross profit	**$314.0**	$321.2	(2.2)%	**$561.7**	$566.6	(0.9)%
Gross margin	**29.3 %**	32.2 %		**29.1 %**	31.6 %	

The decrease in gross margin (gross profit expressed as a percentage of net sales) in the second quarter of 2017 was driven by unfavorable raw material dynamics and unfavorable changes in mix, primarily at Interconnect Technologies due to the aforementioned technology shift and in-sourcing initiatives. Also included in cost of goods sold in the second quarter of 2017 were $2.0 million of plant exit and disposal costs at Interconnect Technologies and Brake and Friction attributable to our exit and disposal initiatives.

Table of Contents
Carlisle Companies Incorporated

The decrease in gross margin for the first six months of 2017 was similarly impacted by the above noted factors as well as $3.8 million of acquired inventory costs at the FoodService Products segment. Included in cost of goods sold in first six months of 2017 were $3.8 million of plant exit and disposal costs. The decrease was partially offset by lower per unit costs resulting from higher capacity utilization as a result of higher net sales volume in the Construction Materials segment and savings from COS.

Selling and Administrative Expenses

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Selling and administrative expenses	**$141.6**	$131.5	7.7 %	**$281.3**	$255.6	10.1 %
As a percentage of net sales	**13.2 %**	13.2 %		**14.6 %**	14.3 %	

The increase in selling and administrative expense in the second quarter of 2017 primarily reflected acquired selling and administrative expenses, primarily at the FoodService and Interconnect Technologies segments. The increase in expenses also included charges for the previously announced facility rationalization and plant restructuring projects at CIT. See Note 19 in the Notes to the Condensed Consolidated Financial Statements for further information on exit and disposal activities.

Selling and administrative expense in the first six months of 2017 as a percentage of net sales increased primarily due to expense from acquired businesses, principally the San Jamar business, as well as the aforementioned factors. The selling and administrative costs from the acquired businesses also included non-cash amortization of acquired intangible assets.

Research and Development Expenses

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Research and development expenses	**$13.9**	$12.0	15.8 %	**$26.7**	$23.3	14.6 %
As a percentage of net sales	**1.3 %**	1.2 %		**1.4 %**	1.3 %	

The increase in research and development expenses in the second quarter and the first six months of 2017 primarily reflected increased activities related to new product development at our Interconnect Technologies segment.

Other Income, net

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Other income, net	**$(0.3)**	$(1.2)	75.0 %	**$(1.8)**	$(1.8)	–%

The decrease in other income in the second quarter of 2017 primarily reflected foreign currency fluctuations at our Interconnect Technologies and Fluid Technologies segments.

EBIT (Earnings Before Interest and Taxes)

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
EBIT	**$158.8**	$178.9	(11.2)%	**$255.5**	$289.5	(11.7)%
EBIT Margin	**14.8 %**	17.9 %		**13.2 %**	16.2 %	

See *Segment Results of Operations* within this Management's Discussion and Analysis for further information related to segment EBIT results.

Table of Contents

Carlisle Companies Incorporated

Interest Expense, net

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Interest expense	**$7.1**	$8.6		**$13.9**	$17.3	
Interest income	**—**	(0.4)		**(0.2)**	(0.7)	
Interest expense, net	**$7.1**	$8.2	(13.4)%	**$13.7**	$16.6	(17.5)%

The decrease in interest expense, net during the second quarter and the first six months of 2017 primarily reflected the August 2016 retirement of our $150.0 million senior unsecured note that had a stated interest rate of 6.125%, partially offset by increased interest expense due to borrowings under our Revolving Credit Facility.

Income Taxes

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Income tax expense	**$49.4**	$55.4	(10.8)%	**$78.0**	$89.1	(12.5)%
Effective tax rate	**32.6 %**	32.5 %		**32.3 %**	32.6 %	

The effective income tax rate on continuing operations for the first six months of 2017 was 32.3%. The year to date provision for income taxes included taxes on earnings at an anticipated annual rate of approximately 34.4% and year-to-date discrete tax benefit of $5.1 million, principally related to windfall tax benefits attributable to stock-based compensation of $3.5 million.
The effective income tax rate on continuing operations for the first six months of 2016 was 33.0% and included a year-to-date net discrete tax expense of $1.1 million.

Income from Continuing Operations and Net Income

(in millions, except per share amounts)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change**	**2017**	**2016**	**Change**
Income from continuing operations	**$102.3**	$115.3	(11.3)%	**$163.8**	$183.8	(10.9)%
EPS from continuing operations						
Basic	**$1.59**	$1.78	(10.7)%	**$2.53**	$2.84	(10.9)%
Diluted	**1.58**	1.75	(9.7)%	**2.52**	2.80	(10.0)%
Net income	**$102.3**	$115.2	(11.2)%	**$164.1**	$183.7	(10.7)%
EPS						
Basic	**$1.59**	$1.78	(10.7)%	**$2.53**	$2.84	(10.9)%
Diluted	**1.58**	1.75	(9.7)%	**2.52**	2.80	(10.0)%

Segment Results of Operations

Carlisle Construction Materials

On July 3, 2017, we acquired Drexel for estimated consideration of $54.0 million, net of cash acquired. Drexel is a leading provider of architectural standing seam metal roofing systems for commercial, institutional and residential applications. On January 31, 2017, we acquired Arbo for consideration of $10.3 million, net of cash acquired. Arbo is a leading provider of sealants, coatings, and membrane systems used

for waterproofing and sealing buildings and other structures.

Table of Contents

Carlisle Companies Incorporated

(in millions)	Three Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$631.2**	$582.5	8.4 %	0.7%	8.7 %	(0.7)%	(0.3)%
EBIT	**$129.0**	$133.1	(3.1)%				
EBIT Margin	**20.4 %**	22.8 %					

CCM's net sales growth in thesecond quarter of 2017 primarily reflected higher sales volume due to strong demand in the U.S. commercial roofing market partially offset by lower selling price. CCM's EBIT and EBIT margin decline in the second quarter of 2017 was driven by unfavorable price and raw material cost dynamics. Such decreases were partially offset by higher net sales volume and COS savings.

(in millions)	Six Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$1,077.3**	$986.2	9.2 %	0.6%	10.0 %	(1.1)%	(0.3)%
EBIT	**$209.7**	$205.4	2.1 %				
EBIT Margin	**19.5 %**	20.8 %					

CCM's net sales growth in thefirst six months of 2017 primarily reflected higher net sales volume on healthy demand for commercial roofing and insulation applications partially offset by lower selling price. CCM's EBIT margin in the first six months of 2017 decreased primarily due to unfavorable raw material cost dynamics. Such reduction was partially offset by higher net sales volume and COS savings.

Matters Impacting Future Results

In 2017, we expect CCM to achieve high single digit sales growth and we will continue to focus on maintenance of price discipline in order to offset raw material cost increases.

CCM's net sales and EBIT are generally higher in the second and third quarters of the year due to increased construction activity during these periods. CCM's commercial roofing business is comprised predominantly of net sales from reroofing, which derives demand from a large base of installed roofs requiring replacement in a given year, and less extensively from roofing for new commercial construction. Demand for commercial insulation products is also driven by increased enforcement of building codes related to energy efficiency. Growth in demand in the commercial construction market can be negatively impacted by changes in fiscal policy and increases in interest rates. The availability of labor to fulfill installations may also be a constraint on growth in the commercial roofing market.

CCM's ability to increase current selling price and volume levels is subject to significant competition, in particular from competitors that have added manufacturing capacity of commercial roofing and commercial insulation products over the last several years. Raw material input costs have also rebounded from the significant declines of the last two years.

Carlisle Interconnect Technologies

Carlisle Interconnect Technologies has initiated plans to relocate certain of its aerospace manufacturing operations in Littleborough, United Kingdom to an existing manufacturing operation. CIT is also incurring costs related to planned growth opportunities and long-term cost competitiveness improvements in the

medical business. Due to these efforts, focused on improving operational efficiencies throughout the business, we anticipate continuing costs related to plant restructuring and facility rationalization throughout 2017 and 2018. We expect to generate substantial savings beginning in 2018 from these operational efficiency improvement efforts. Refer to Note 19 within the Notes to the Condensed Consolidated Financial Statements for further information regarding exit and disposal activities.

Table of Contents

Carlisle Companies Incorporated

(in millions)	Three Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$201.8**	$209.4	(3.6)%	7.3%	(10.6)%	(0.1)%	(0.2)%
EBIT	**$20.1**	$39.6	(49.2)%				
EBIT Margin	**10.0 %**	18.9 %					

CIT's net sales change in the second quarter of 2017 reflected sales from prior year acquisitions of Micro-Coax and Star Aviation, offset by a net sales decline due to softness experienced in the IFE markets and lower volumes driven by the continued success of in-sourcing initiatives by a large commercial aerospace customer. CIT's EBIT and EBIT margin fell primarily related to the unfavorable changes in mix due to the aforementioned IFE to SatCom technology shift and customer in-sourcing initiatives. The EBIT and EBIT margin decline also included $2.5 million of plant restructuring costs and $3.1 million of facility rationalization charges related to efforts focused on improving operational efficiencies throughout the business.

(in millions)	Six Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$396.0**	$406.1	(2.5)%	7.6%	(9.5)%	(0.3)%	(0.3)%
EBIT	**$42.4**	$76.2	(44.4)%				
EBIT Margin	**10.7 %**	18.8 %					

CIT's net sales change for thefirst six months of 2017 primarily reflected the aforementioned factors. CIT's EBIT and EBIT margin reduction for the first six months of 2017 primarily reflected unfavorable mix and charges associated with facility rationalization and plant restructuring. EBIT included $4.8 million of plant restructuring costs and $5.1 million of facility rationalization charges during the first six months of 2017.

Matters Impacting Future Results

In 2017, we expect CIT to show mid-single digit net sales decline, reflecting the impact of the aforementioned technology shift and the in-sourcing initiative by the large commercial aerospace customer.

Demand for CIT's connectivity applications in the commercial aerospace market is dependent on increased production for new commercial aircraft as well as higher demand for in-flight connectivity applications used in both installed aircraft seating and through personal mobile devices using wireless connectivity (Wi-Fi) access. Net sales growth for all of CIT's primary end markets is dependent upon CIT's continual execution of new product development to meet demand for high technology products.

Carlisle FoodService Products

On January 9, 2017, we acquired San Jamar for total consideration of $217.2 million. San Jamar is a leading provider of universal dispensing systems and food safety products for foodservice and hygiene applications.

(in millions)	Three Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$87.8**	$63.5	38.3 %	35.7%	1.4 %	1.2 %	–%
EBIT	**$12.1**	$8.2	47.6 %				

EBIT Margin	**13.8**	**%**	12.9 %

CFS's net sales growth in thesecond quarter of 2017 primarily reflected contribution of $22.7 million from the acquisition of San Jamar and increased healthcare equipment sales. CFS's EBIT and EBIT margin increase in the second quarter of 2017 primarily reflected the San Jamar acquisition, favorable pricing initiatives, and savings from COS.

Table of Contents

Carlisle Companies Incorporated

(in millions)	Six Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$171.1**	$123.9	38.1 %	33.9%	2.9 %	1.3 %	—%
EBIT	**$17.9**	$15.3	17.0 %				
EBIT Margin	**10.5 %**	12.3 %					

For the first six months of 2017, CFS's net sales increase primarily reflected contribution of $42.0 million from the acquisition of San Jamar and higher demand in the healthcare market. This increase was partially offset by lower demand in the foodservice market. CFS's EBIT increase primarily reflected impact from the San Jamar acquisition, higher net sales volume, and savings from COS. EBIT margin decrease in the first six months of 2017 primarily reflected amortization of intangible assets of approximately $5.7 million, acquired inventory costs of $3.8 million, and unfavorable raw material dynamics.

Matters Impacting Future Results

We expect CFS to achieve 2017 full year net sales growth of approximately 40%, inclusive of San Jamar.

Sales in CFS's healthcare market may be impacted by timing of larger equipment orders that can cause year-over-year variances.

Carlisle Fluid Technologies

As previously announced, Carlisle Fluid Technologies is incurring costs related to the relocation of administrative functions and facilities within the U.S. Refer to Note 19 within the Notes to the Condensed Consolidated Financial Statements for further information regarding exit and disposal activities.

(in millions)	Three Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$71.0**	$68.2	4.1 %	—%	6.2 %	1.7 %	(3.8)%
EBIT	**$7.5**	$7.3	2.7 %				
EBIT Margin	**10.6 %**	10.7 %					

CFT's net sales growth in the second quarter of 2017 primarily reflected higher demand for general industrial and automotive finishing products in North America and Asia. Net sales growth was partially offset by unfavorable fluctuations in foreign exchange rates. CFT's EBIT increase for thesecond quarter of 2017 was driven by higher sales volume, COS savings, and non-recurring costs recorded in the second quarter of 2016 that did not repeat, partially offset by the continuation of ongoing investments to position the business for future growth and margin improvement. During the second quarter of 2016, CFT incurred $1.9 million of exit and disposal related charges as compared to $0.5 million incurred during the second quarter of 2017.

(in millions)	Six Months Ended June 30, 2017	2016	Change %	Acquisition Effect	Volume Effect	Price Effect	Exchange Rate Effect
Net sales	**$131.5**	$129.4	1.6 %	1.0%	2.9 %	1.5 %	(3.8)%
EBIT	**$12.4**	$14.2	(12.7)%				
EBIT Margin	**9.4 %**	11.0 %					

CFT's net sales growth in the first six months of 2017 primarily reflected higher demand for general industrial and automotive finishing products in North America, favorable pricing initiatives, and contribution of sales from the acquisition of MS Powder. Partially offsetting the sales growth was decreased sales volumes in Asia Pacific, primarily due to the timing of system sales, as well as unfavorable fluctuations in foreign exchange rates. CFT’s EBIT and EBIT margin decrease for thefirst six months of 2017 was primarily due to ongoing investments to position the business for future growth and margin improvement and unfavorable fluctuations in foreign exchange rates. Included in CFT's EBIT in the first six months of 2017 were consolidation and relocation activities costs of $1.0 million.

Table of Contents
Carlisle Companies Incorporated

Matters Impacting Future Results

In 2017, we expect CFT to achieve mid-single digit net sales growth, as the outlook for the largest global end markets remains positive. Driven by focus on improving operational efficiencies throughout the business, CFT expects to accelerate facility consolidation efforts in the second half of 2017. We anticipate to incur approximately $13 million in charges related to these efforts.
Portions of CFT's annual net sales are for the development and assembly of large fluid handling or other application systems projects. Net sales volumes at CFT are generally lower in the first and second quarters of the year due to timing of large systems orders and customer buying patterns. In addition, the timing of system sales can cause significant year-over-year sales variances.

Carlisle Brake & Friction

CBF has aggressively addressed its challenging markets by realigning its cost structure. In conjunction with such, on February 9, 2017, we announced that we would exit our manufacturing operations in Tulsa, Oklahoma and relocate the majority of those operations to our existing manufacturing facility in Medina, Ohio. This action is expected to continue through 2018. See Note 19 in the Notes to the Condensed Consolidated Financial Statements for further information.

As part of the relocation effort, we will also invest additional capital in our Medina, Ohio facility. The capital investment is anticipated to be approximately $13.0 million to $16.0 million to expand the facility and between approximately $15.0 million to $16.0 million to purchase new, more efficient equipment to replace equipment not being relocated.

(in millions)	**Three Months Ended June 30,**						
	2017	**2016**	**Change %**	**Acquisition Effect**	**Volume Effect**	**Price Effect**	**Exchange Rate Effect**
Net sales	**$79.9**	$73.3	9.0 %	-%	10.4 %	0.1 %	(1.5)%
EBIT	**$1.4**	$4.8	(70.8)%				
EBIT Margin	**1.8 %**	6.5 %					

CBF's net sales growth in thesecond quarter of 2017 primarily reflected net sales volume increases in the mining, construction and agriculture markets, partially offset by weaker demand in the aircraft braking market. Net sales growth was also partially offset by unfavorable fluctuations in foreign exchange rates.
CBF's EBIT and EBIT margin declined in thesecond quarter of 2017 as a result of unfavorable product mix, unfavorable raw material dynamics, and expenses related to cost reduction actions previously noted. During the second quarter of 2017, CBF recognized $1.7 million in exit and disposal expenses in conjunction with the exit of our Tulsa, Oklahoma manufacturing operations. The decline was partially offset by lower per unit cost resulting from higher capacity utilization due to higher net sales volume and savings from COS.

(in millions)	**Six Months Ended June 30,**						
	2017	**2016**	**Change %**	**Acquisition Effect**	**Volume Effect**	**Price Effect**	**Exchange Rate Effect**
Net sales	**$153.1**	$145.3	5.4 %	-%	7.1 %	(0.1)%	(1.6)%
EBIT	**$2.6**	$8.5	(69.4)%				
EBIT Margin	**1.7 %**	5.8 %					

For the first six months of 2017, CBF's net sales growth reflected higher demand from the construction,

mining, agriculture, and military markets. Net sales growth for the first six months of 2017 was partially offset by unfavorable fluctuations in foreign exchange rates. CBF's EBIT and EBIT margin declined in the first six months of 2017 primarily as a result of unfavorable product mix, unfavorable raw material dynamics, and expenses related to cost reduction actions previously noted. During the first six months of 2017, CBF recognized $2.0 million in exit and disposal expenses in conjunction with the exit of our Tulsa, Oklahoma manufacturing operations. The decline was partially offset by higher net sales volumes and savings from COS.

Table of Contents

Carlisle Companies Incorporated

Matters Impacting Future Results

In 2017, we expect CBF to achieve mid-single digit net sales growth in 2017.
CBF remains focused on new sources of revenue, cost reduction, operational efficiency and positive cash flow generation; however, demand for CBF's off-highway applications for heavy industrial equipment in construction and mining remains uncertain and may change due to changing global economic and political dynamics.

Corporate

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**	**Change %**	**2017**	**2016**	**Change %**
Corporate expenses	**$11.3**	$14.1	(19.9)%	**$29.5**	$30.1	(2.0)%
As a percentage of net sales	**1.1 %**	1.4 %				

The decrease in corporate expenses in the second quarter and first six months of 2017 primarily reflected a decrease in compensation related and other relocation expenses, primarily pertaining to 2016 costs incurred in conjunction with the relocation to Scottsdale, Arizona. The decline was partially offset by increased acquisition-related transaction and legal expenses.

Matters Impacting Future Results

In conjunction with the acquisition of LHi Technology ("LHi") in October 2014, we recorded an indemnification asset related to the indemnification of Carlisle for certain pre-acquisition liabilities, principally related to direct and indirect tax uncertainties. The remaining indemnification asset of $6.1 million at June 30, 2017 is expected to be recognized in selling and administrative expenses upon expiration in the third quarter of 2017, unless claims are made against the seller prior to such time. We expect the net impact to selling and administrative expenses in our consolidated financial statements related to the LHi acquisition to be $4.6 million, net of certain liabilities related to this indemnification, during the third quarter of 2017.

Liquidity and Capital Resources

A summary of our cash and cash equivalents by region is summarized as follows:

(in millions)	**June 30, 2017**	**December 31, 2016**
Europe	**$57.6**	$ 52.8
China	**24.7**	22.5
Asia Pacific region (excluding China)	**15.1**	19.1
Other international regions	**14.0**	13.5
Non-U.S. subsidiaries cash and cash equivalents	**111.4**	107.9
U.S. subsidiaries cash and cash equivalents	**28.4**	277.4
Cash and cash equivalents	**$139.8**	$ 385.3

We maintain liquidity sources primarily consisting of cash and cash equivalents as well as borrowings under the revolving credit facility. Cash generated by operations is our primary source of liquidity. The decrease in cash and cash equivalents compared to December 31, 2016 was primarily related to the cash consideration paid for the acquisition of San Jamar, which closed in January 2017. Another potential source of liquidity is access to capital markets should we so choose. During the first six months of 2017, we utilized

borrowings from our revolving credit facility to fund share purchases and capital expenditures. See *Debt Instruments* below for further information.

We consider our non-U.S. cash to be permanently reinvested in our foreign operations and our current plans do not demonstrate a need, nor do we plan, to repatriate such cash to fund U.S. operations, invest in our growth initiative or other financing activities. Further, cash held by subsidiaries in China is subject to local laws and regulations that require government approval for conversion of such cash to and from U.S. Dollars, as well as for transfer of such cash to entities that are outside of China.

Table of Contents
Carlisle Companies Incorporated

Under current tax laws, should our plans change and we were to choose to repatriate some or all of the funds we have designated as indefinitely reinvested outside the U.S., such amounts would be subject to U.S. income taxes and applicable non-U.S. income and withholding taxes.

We believe we have sufficient financial resources to meet our business requirements for at least the next 12 months, including capital expenditures for worldwide manufacturing, working capital requirements, dividends, common stock repurchases, acquisitions, and strategic investments. See *Debt Instruments* below.

We also anticipate we will have sufficient cash on hand as well as available liquidity under our revolving credit facility to pay outstanding principal balances of our existing notes by the respective maturity dates. If these sources of liquidity have been used for other strategic purposes by the time of maturity, we intend to obtain additional liquidity by accessing the capital markets to repay the outstanding balance.

Sources and Uses of Cash and Cash Equivalents

	Six Months Ended June 30,	
(in millions)	**2017**	**2016**
Net cash provided by operating activities	**$134.7**	$179.9
Net cash used in investing activities	**(291.9)**	(148.9)
Net cash used in financing activities	**(90.4)**	(44.8)
Effect of foreign currency exchange rate changes on cash	**2.1**	1.0
Change in cash and cash equivalents	**$(245.5)**	$(12.8)

Operating Activities

The decrease in net cash provided by operating activities in the first six months of 2017 was primarily attributable to lower net income and cash used to fund working capital. Working capital included increased accounts receivable primarily attributable to higher net sales volume at Construction Materials and Brake & Friction, increased inventory in preparation for forecasted sales volumes, and timing of accrued expense payments.

Investing Activities

The cash used in investing activities of $291.9 million for the first six months of 2017 was primarily the result of cash utilized to acquire San Jamar in the FoodService segment and Arbo in the Construction Materials segment. In comparison, cash used in investing activities of $148.9 million for the first six months of 2016 reflected cash utilized acquisition of MS Powder in the Fluid Technologies segment and Micro-Coax in the Interconnect Technologies segment. Cash used to fund capital expenditures primarily reflected capital projects at CIT for expansion of operations in Mexico and the U.S. as well as projects at CCM that included a new domestic training center and capacity expansion efforts in Germany.

We expect capital expenditures will be approximately $125 to $150 million as investments identified for expansion at CCM, CIT, and CFT move forward and the additional cost reduction improvements at CBF related to their footprint rationalization efforts continue. On July 3, 2017, we acquired Drexel utilizing approximately $55.7 million of funds from our Revolving Credit Facility.

Financing Activities

The cash used in financing activities of $90.4 million in the first six months of 2017 primarily reflected activity under our share repurchase program. During the first six months of 2017, we used $150.0 million to repurchase shares as compared to $40.9 million during the first six months of 2016. In addition to increased share repurchases, dividends paid increased for the first six months of 2017 due to the increased dividend rate of $0.70 per share as compared to $0.60 per share. In addition, we also borrowed $263.0 million and repaid $153.0 million on our revolving credit facility during the first six months of 2017. Borrowings were utilized to fund share repurchases and the aforementioned investing activities.

Through our share repurchase program, we anticipate further share repurchases of approximately $100 million in the second half of 2017.

Table of Contents
Carlisle Companies Incorporated

Debt Instruments

On February 21, 2017, we entered into a second amendment (the "Amendment") to our Third Amended and Restated Credit Agreement (the “Credit Agreement”) administered by JPMorgan Chase Bank, N.A. Among other things, the Amendment increases the lenders' aggregate revolving commitment from $600.0 million to $1.0 billion and extends the maturity date of the Credit Agreement from December 12, 2018 to February 21, 2022. The Facility has a feature that allows the Company to increase availability, at our option, by an aggregate amount of up to $500.0 million through increased commitments from existing lenders or the addition of new lenders. Under the Facility, we may also enter into commitments in the form of standby, commercial, or direct pay letters of credit for an amount not to exceed $50.0 million. The Facility provides for variable interest pricing based on the credit rating of the senior unsecured bank debt or other unsecured senior debt and is also subject to commitment fees.

At June 30, 2017, we had an outstanding balance of $110.0 million with $890.0 million of our revolving credit facility available for use. The outstanding balance at June 30, 2017 had an effective interest rate of 2.32%. We had borrowings of $263.0 million under the revolving credit facility during the first six months of 2017, primarily utilized to fund share repurchases and investing activities. We have senior unsecured notes outstanding of $250 million due 2020 (at a stated interest rate of 5.125%), and $350 million due 2022 (at a stated interest rate of 3.75%) that are rated BBB by Standard & Poor’s and Baa2 by Moody’s.

For further information on our debt instruments, including covenants, refer to Note 12 in the Notes to the Condensed Consolidated Financial Statements.

Critical Accounting Estimates

In preparing the Consolidated Financial Statements in conformity with accounting principles generally accepted in the U.S., the Company’s management must make informed decisions which impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and assumptions on which to base estimates and judgments that affect the reported amounts of assets, liabilities, sales revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, inventory valuation, deferred revenue and extended product warranties, goodwill and indefinite-lived intangible assets, valuation of long-lived assets, and income taxes. The Company bases its estimates on historical experience, terms of existing contracts, our observation of trends in the industry, information provided by our customers, and information available from other outside sources, that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the critical accounting estimates described in Part II, Item 7 of the Company’s 2016 Form 10-K, as updated below, are the most important to the fair presentation of the Company’s financial conditions and results of operations. These estimates require management’s most significant judgments in the preparation of our Condensed Consolidated Financial Statements.

Table of Contents
Carlisle Companies Incorporated

Goodwill and Indefinite-Lived Intangible Assets

Indefinite-Lived Intangible Assets

During 2016, we recognized a pre-tax impairment charge of $11.5 million related to our Wellman trade name, primarily reflecting a decline in estimated future revenue related to this trade name. We continue to closely monitor actual results versus expectations as well as whether to what extent any significant changes in current events or conditions result in corresponding changes to our expectations about future estimated revenues. In the first six months of 2017, we did not identify any additional events that required us to perform an impairment test related to the Wellman trade name. If our adjusted expectations of recovery, both in size and timing, in CBF's end markets do not materialize, or the weighted average cost of capital increases (based on increases in interest rates, market rates of return, and market volatility), the Company may be required to record additional impairment charges.

Goodwill

In the first quarter of 2017, we adopted ASU 2017-04, *Simplifying the Test for Goodwill Impairment* (see Note 2 to the Consolidated Financial Statements in Item 1). This ASU eliminated step 2 of the goodwill impairment test described in Critical Accounting Estimates in our 2016 Form 10-K. While the elimination of step 2 will reduce the cost and complexity of performing goodwill impairment tests, it could result in different amounts being recognized in future periods versus the single-step test, as we will no longer be required to perform a hypothetical purchase price allocation to measure the goodwill impairment. This hypothetical purchase price allocation required the reporting unit's underlying net assets be measured at fair value with differences from their carrying values either increasing or decreasing the hypothetical amount of goodwill and therefore increasing or decreasing any potential goodwill impairment loss.

We estimate the fair value of our reporting units primarily based on the income approach utilizing the discounted cash flow method. We also utilize fair value estimates derived from the market approach utilizing the public company market multiple method to validate the results of the discounted cash flow method, which require us to make assumptions about the applicability of those multiples to our reporting units. The discounted cash flow method requires us to estimate future cash flows and discount those amounts to present value. The key assumptions that drive fair value include:

- Industry weighted-average cost of capital ("WACC"): We utilize a WACC relative to each reporting unit's industry as the discount rate for estimated future cash flows. The WACC is intended to represent a rate of return that would be expected by a market place participant.
- Revenue growth rates: We utilize a revenue growth rate based on historical growth patterns, industry analysis and management's experience, which vary based on the reporting unit being evaluated.
- EBIT margins: We utilize historical and expected EBIT margins, which vary based on the projections of each reporting unit being evaluated.

The methods and key assumptions utilized to determine the fair value of our reporting units will not change as a result of adopting this ASU. As noted above, the WACC is a key assumption utilized to determine fair value of our reporting units as well as the fair value of indefinite-lived intangible assets. As required by ASC 350, *Intangibles - Goodwill and Other*, we monitor our reporting units and indefinite-lived intangible assets for impairment quarterly as to whether any triggering events are present, including changes in the related WACC and if so, perform the required interim impairment tests using the methods and assumptions described above. During 2017, interest rates, and therefore the related cost of capital and assumed market

rates of return, have increased. As of June 30, 2017, we did not identify any triggering events, however, if interest rates continue to rise we may be required to perform interim impairment tests and recognize impairment charges, which may be material.

In particular, during 2016, we recognized a goodwill impairment charge of $130.0 million related to our CBF reporting unit, primarily reflecting continued declines in sales related to overall market conditions and lower expectations of recovery in CBF's various end markets. We continue to closely monitor actual results versus expectations as well as whether and to what extent any significant changes in current events or conditions result in corresponding changes to our expectations about future estimated cash flows as well as the weighted average cost of capital. If our adjusted expectations of recovery, both in size and timing in CBF's end markets do not materialize, or the WACC increases (based on increases in interest rates, market rates of return, and market volatility), we may be required to record additional intangible asset and goodwill impairment charges, which may be material. At December 31, 2016, goodwill allocated to the CBF reporting unit totaled $96.4 million and the fair value of the CBF reporting unit exceeded its carrying value by five percent. In the first six months of 2017, we did not identify any additional events that required us to perform an impairment test related to goodwill of the CBF reporting unit.

Table of Contents
Carlisle Companies Incorporated

While we believe our conclusions regarding the estimates of fair value of our CBF reporting unit, and the Wellman trade name is appropriate, these estimates are subject to uncertainty and by nature include judgments and estimates regarding various factors including the rate and extent of growth in the markets that our reporting units serve, the realization of future sales price increases, fluctuations in exchange rates, fluctuations in price and availability of key raw materials, future operating efficiencies, and discount rates.

See Note 10 to the Condensed Consolidated Financial Statements in Item 1 for more information regarding goodwill.

New Accounting Pronouncements

See Note 2 to the Condensed Consolidated Financial Statements in Item 1 for more information regarding new accounting pronouncements.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally use words such as “expect,” “foresee,” “anticipate,” “believe,” “project,” “should,” “estimate,” “will,” “plans”, "intends", “forecast” and similar expressions, and reflect our expectations concerning the future. Such statements are made based on known events and circumstances at the time of publication, and as such, are subject in the future to unforeseen risks and uncertainties. It is possible that our future performance may differ materially from current expectations expressed in these forward-looking statements, due to a variety of factors such as: increasing price and product/service competition by foreign and domestic competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; our mix of products/services; increases in raw material costs which cannot be recovered in product pricing; domestic and foreign governmental and public policy changes including environmental and industry regulations; threats associated with and efforts to combat terrorism; protection and validity of patent and other intellectual property rights; the successful integration and identification of our strategic acquisitions; the cyclical nature of our businesses; and the outcome of pending and future litigation and governmental proceedings. In addition, such statements could be affected by general industry and market conditions and growth rates, the condition of the financial and credit markets, and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. Further, any conflict in the international arena may adversely affect general market conditions and our future performance. We undertake no duty to update forward-looking statements.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in the Company’s market risk for the six months ended June 30, 2017. For additional information, refer to Item 7A of the Company’s 2016 Annual Report on Form 10-K.

Item 4. Controls and Procedures

(a) Under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, the Company carried out an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation and as of June 30, 2017, the Chief

Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

(b) There were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Table of Contents
Carlisle Companies Incorporated

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Litigation

Over the years, we have been named as a defendant, along with numerous other defendants, in lawsuits in various state courts in which plaintiffs have alleged injury due to exposure to asbestos-containing brakes, which Carlisle manufactured in limited amounts between the late-1940's and the mid-1980's. In addition to compensatory awards, these lawsuits may also seek punitive damages. We typically obtains dismissals or settlements of our asbestos-related lawsuits with no material effect on our financial condition, results of operations, or cash flows. We maintain insurance coverage that applies to our defense costs and payments of settlements or judgments in connection with asbestos-related lawsuits, excluding punitive damages. Based on an ongoing evaluation, we believe that the resolution of our pending asbestos claims will not have a material impact on our financial condition, results of operations, or cash flows, although these matters could result in the Company being subject to monetary damages, costs or expenses, and charges against earnings in particular periods.

In addition, we may occasionally be involved in various other legal actions arising in the normal course of business. In the opinion of management, the ultimate outcome of such actions, either individually or in the aggregate, will not have a material adverse effect on the consolidated financial position or annual operating cash flows of the Company, but may have a more than inconsequential impact on our results of operations for a particular period.

Environmental Matters

We are subject to increasingly stringent environmental laws and regulations, including those relating to air emissions, wastewater discharges, chemical and hazardous waste management and disposal. Some of these environmental laws hold owners or operators of land or businesses liable for their own and for previous owners' or operators' releases of hazardous or toxic substances or wastes. Other environmental laws and regulations require the obtainment and compliance with environmental permits. To date, costs of complying with environmental, health and safety requirements have not been material. The nature of our operations and our long history of industrial activities at certain of our current or former facilities, as well as those acquired could potentially result in material environmental liabilities.

While we must comply with existing and pending climate change legislation, regulation, international treaties or accords, current laws and regulations do not have a material impact on its business, capital expenditures or financial position. Future events, including those relating to climate change or greenhouse gas regulation could require the Company to incur expenses related to the modification or curtailment of operations, installation of pollution control equipment, or investigation and cleanup of contaminated sites.

Item 1A. Risk Factors

During the six months ended June 30, 2017, there were no material changes to the risk factors disclosed in "PART I—Item 1A. Risk Factors" of the Company's 2016 Annual Report on Form 10-K.

Table of Contents

Carlisle Companies Incorporated

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the repurchase of common stock during the three months ended June 30, 2017:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs [1]
April 2017	491	$ 107.84	—	4,835,689
May 2017	1,192,958	$ 101.42	1,182,889	3,652,800
June 2017	299,225	$ 100.30	299,225	3,353,575
Total	1,492,674		1,482,114	

[1] Represents the number of shares that can be repurchased under the Company's stock repurchase program.

The Company's stock repurchase program was originally approved on November 3, 1999, and was reactivated on August 17, 2004. At the time of the adoption, we had the authority to purchase 741,890 split-adjusted shares of common stock. The Board of Directors authorized the repurchase of an additional 2,500,000 shares, 1,400,000 shares and, 4,100,000 shares of the Company's common stock on August 1, 2007, February 12, 2008, and September 12, 2016, respectively.

We may also reacquire shares outside of the repurchase program from time to time in connection with the forfeiture of shares in satisfaction of tax withholding obligations from the vesting of share-based compensation. There were 10,560 shares reacquired in transactions outside of the repurchase program during the three months ended June 30, 2017.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Table of Contents

Carlisle Companies Incorporated

Item 6. Exhibits

Exhibit Number	Exhibit Title	Filed or Furnished Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
10.1*	Letter Agreement, dated January 5, 2017, between Robert Roche and the Company.		8-K	001-9278	2/15/2017
10.2*	Form of Executive Severance Agreement.		8-K	001-9278	4/12/2017
10.3	Second Amendment to Third Amended and Restated Credit Agreement, dated as of February 21, 2017, by and among Carlisle Companies Incorporated, Carlisle Corporation, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto.		8-K	001-9278	2/24/2017
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).	X			
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).	X			
32.1	Section 1350 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
101.INS	XBRL Instance Document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X			

** Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.*

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Carlisle Companies Incorporated

July 26, 2017

By: /s/ Robert M. Roche
Name: Robert M. Roche
Title: Vice President and Chief Financial Officer