

FY22 First Quarter Earnings Call Presentation

November 2, 2021



Safe Harbor Statement

Certain statements in this release may be forward-looking in nature, or “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about Kennametal’s outlook for fiscal year 2022 and our expectations regarding future growth and financial performance are forward-looking statements. Any forward-looking statements are based on current knowledge, expectations and estimates that involve inherent risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, our actual results could vary materially from our current expectations. There are a number of factors that could cause our actual results to differ from those indicated in the forward-looking statements. They include: the duration and spread of the COVID-19 pandemic, the emergence of more contagious or virulent strains of the virus, its impacts on our business operations, financial results and financial position and on the industries in which we operate and the global economy generally, including as a result of travel restrictions, business and workforce disruptions associated with the pandemic, the success of preventative measures to contain or mitigate the spread of the virus and emerging variants, and the effectiveness, distribution and acceptance of COVID-19 vaccines; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; risks related to our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; potential for future goodwill and other intangible asset impairment charges; our ability to protect and defend our intellectual property; continuity of information technology infrastructure; competition; our ability to retain our management and employees; demands on management resources; availability and cost of the raw materials we use to manufacture our products; product liability claims; integrating acquisitions and achieving the expected savings and synergies; global or regional catastrophic events; demand for and market acceptance of our products; business divestitures; labor relations; and implementation of environmental remediation matters. Many of these risks and other risks are more fully described in Kennametal’s latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available on our website at www.kennametal.com. Once on the homepage, select “Investor Relations” and then “Events.”

Results highlight strong operating leverage in improving market environment

Q1 FY22 Overview & Highlights

- **Improving end-markets & results from growth initiatives driving strong sales: 19% organic growth vs. (21)% prior year**
 - YoY growth across all end-markets
 - Segment YoY organic growth rates: Metal Cutting 19%, Infrastructure 19%
 - Regional YoY growth rates*: Americas 24%, EMEA 18%, AsiaPac 7%
 - Sales down 6% sequentially, better than the normal decline with notable performance in General Engineering, Energy & Aerospace
- **Execution on initiatives driving strong operating leverage & cash flow: 18.6% adjusted EBITDA margin vs. 11.3% prior year**
 - Adjusted operating margin improved 870 bps to 11.6% from 2.9% prior year, driven by:
 - Higher volumes and associated absorption
 - Improved manufacturing benefits, including Simplification/Modernization carryover and Operational Excellence
 - Benefit from price and mix
 - Partially offset by: ~\$(15)M (~370 bps) from prior-year temporary cost control actions and a slight raw material headwind
 - Free operating cashflow approximately break-even; well exceeding typical Q1 seasonal trend and \$(29)M in prior year
 - Share repurchases of \$13M this quarter
- **Earnings per diluted share: Reported \$0.43; Adjusted \$0.44 (vs. \$0.03 prior year)**

* Constant Currency Regional Sales Growth

Commercial Excellence initiatives driving share gain

Recent Customer Wins

Electric Vehicles



- ✓ Strengthened our leadership position
- ✓ Major win at another large automotive manufacturer

Aerospace



- ✓ Displaced local brands at tier suppliers with our Fit-for-Purpose tooling
- ✓ Expanded channels supporting our brands

Renewable Energy



- ✓ Developed new solution for prominent wind power forging supplier
- ✓ Increased productivity by 200% and tool life by 700%

Mining Adjacencies



- ✓ Expanded our wear-resistant solutions to surface mining equipment

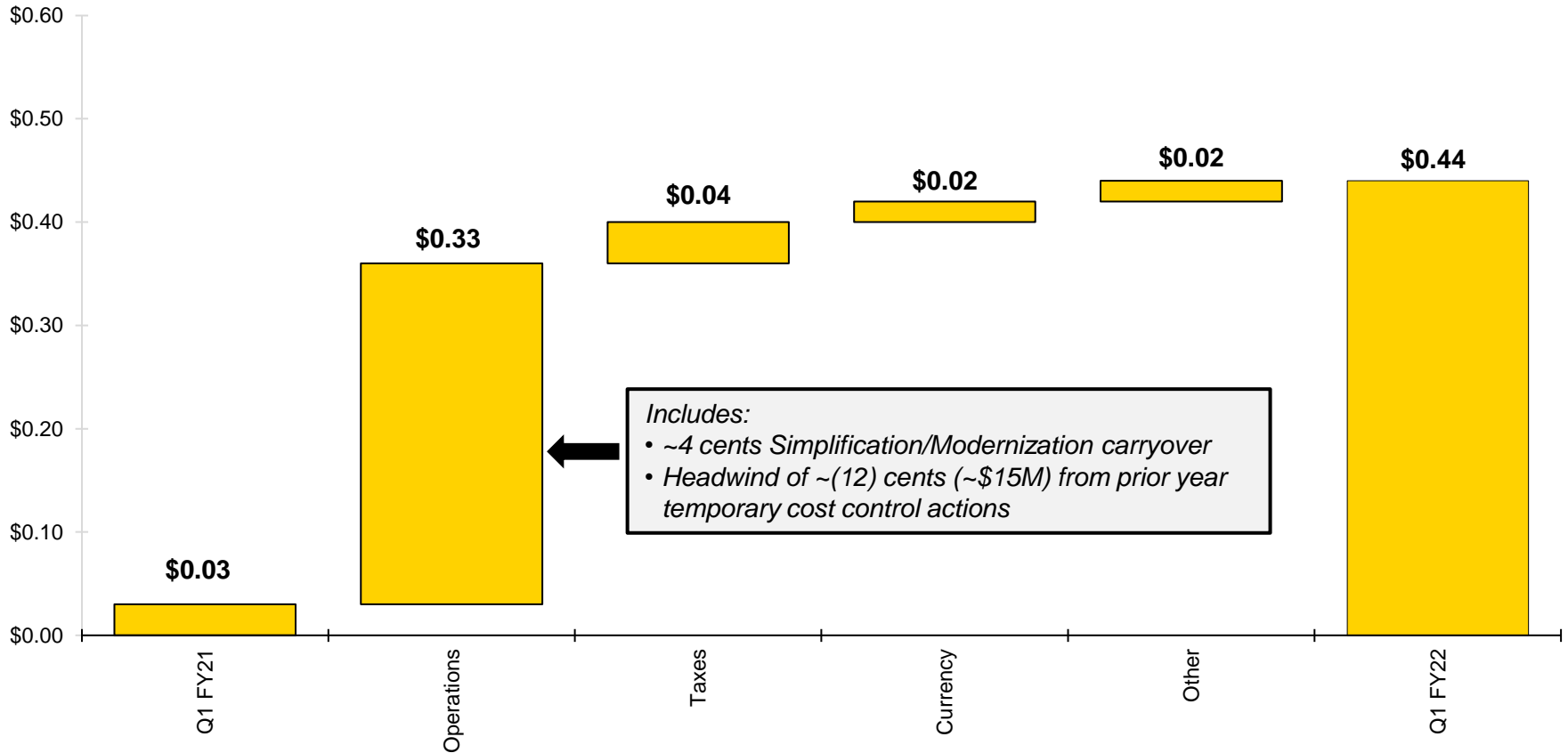
Successful execution of Operational and Commercial initiatives

Consolidated Q1 FY22 Financial Overview

Quarter Ended (\$ in millions)	Change from PY	Adjusted		Reported	
		Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
Sales	21%	\$484	\$400	\$484	\$400
Organic		19%	(21)%	19%	(21)%
FX		2%	(1)%	2%	(1)%
Divestiture		-	(1)%	-	(1)%
Business Days		-	-	-	-
Gross Profit	50%	\$162	\$108	\$161	\$105
% of sales	+650 bps	33.5%	27.0%	33.2%	26.2%
Operating Expense	10%	\$103	\$93	\$103	\$93
% of sales	(210) bps	21.2%	23.3%	21.2%	23.3%
EBITDA	99%	\$90	\$45	\$89	\$17
% of sales	+730 bps	18.6%	11.3%	18.3%	4.1%
Operating Income	388%	\$56	\$11	\$55	\$(17)
% of sales	+870 bps	11.6%	2.9%	11.3%	(4.3)%
Effective Tax Rate	(650) bps	26.9%	33.4%	27.0%	12.1%
EPS (Earnings per Diluted Share)	1,500%	\$0.44	\$0.03	\$0.43	\$(0.26)

Significant EPS improvement driven by strong operating leverage

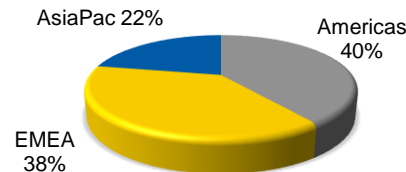
Q1 FY22 Adjusted EPS Bridge



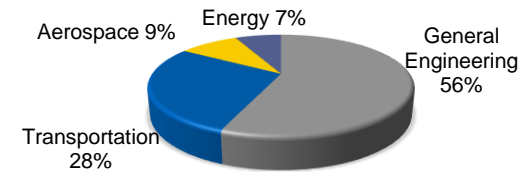
Improved margins driven by execution of operational initiatives and growth

Metal Cutting Business Segment Q1 FY22 Summary

Sales by Geography



Sales by End Market



Q1 FY22 sales \$298 million; organic sales up 19% YoY vs. (23)% decline in prior year quarter

- Regional sales trends*: Americas 22%, EMEA 21%, AsiaPac 7%; FX benefit of 2% and (1)% effect due to business days
- Adjusted operating margin increased significantly YoY by 920 bps to 10.2% from 1.0% in the prior year quarter
 - Due to volume and absorption, mix, price exceeding raw material increases and manufacturing performance, including Simplification/Modernization carryover benefits, partially offset by prior year temporary cost control actions

YoY growth in all end-markets; sequential decline outpaced normal seasonality, chip issues continue in Transportation

- General Engineering YoY growth of 23%**; sequential decline of (5)%; outperformed normal sequential trends
- Transportation YoY growth of 14%**; sequential decline of (4)%; better than normal sequential trend despite ongoing chip issues
- Aerospace YoY increase of 19%**; flat sequentially with sentiment remaining positive
- Energy 1% YoY increase, despite reduced government subsidies in China; down slightly sequentially

Commercial and Operational Excellence positioning us well for profitable growth

- Commercial Excellence & product innovation driving success in a number of areas including fit for purpose, EV & renewables
- Operational Excellence building off modernization investment with more benefits to come while improving customer service levels

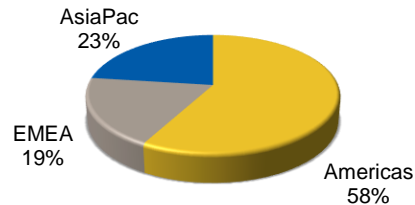
* Constant Currency Regional Sales Growth
** Constant Currency End-Market Sales Growth

Note: Sequential growth at actual foreign exchange rates

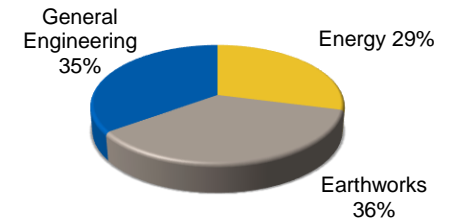
Continuing market recovery and share gain driving improvement

Infrastructure Business Segment Q1 FY22 Summary

Sales by Geography



Sales by End Market



Q1 FY22 sales \$185 million; 19% organic sales growth vs. (18)% decline in prior year quarter

- Benefit of 3% from FX partially offset by (1)% from business days
- Regional sales growth trends*: Americas 28%, EMEA 8%, AsiaPac 7%
- Adjusted operating margin improved YoY by 760 basis points to 14.1% from 6.5% in the prior year quarter
 - Driven by higher volume and associated absorption, manufacturing performance, price exceeding raw material increases, partially offset by prior year temporary cost control actions

End-markets continuing to improve; YoY growth in all end-markets; slightly outpaced normal sequential trend

- Energy end-market increased 37% YoY with oil & gas improving off low levels; sequential decline of (2)%
 - Average US land only rig count improved ~10% sequentially
- General Engineering YoY growth of 23%** , with strong improvement in all regions; sequential decline of (10)%
- Earthworks up 3% YoY driven by improvements in America and EMEA, partially offset by AsiaPac; down (14)% sequentially

Commercial and Operational Excellence initiatives positioning us well for outperformance as end-markets recover

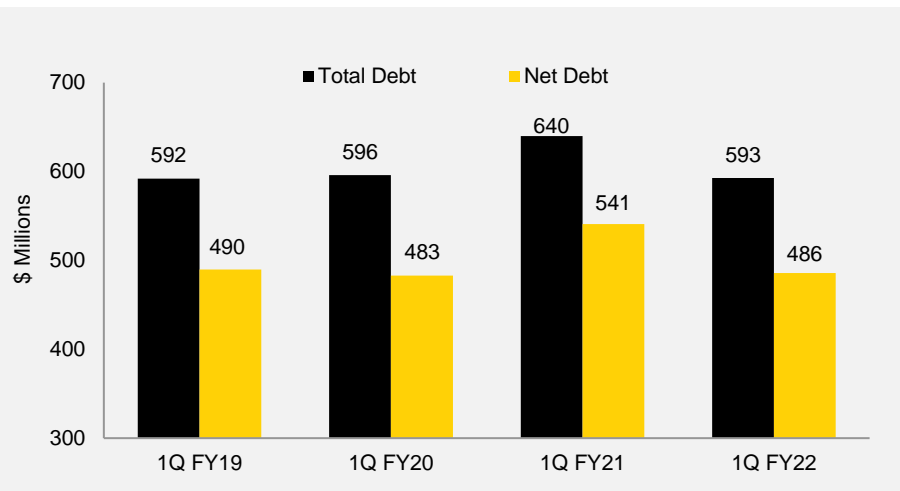
- Leveraging strong customer relationships to expand globally
- Focus on growth initiatives in mining adjacencies and energy resulting in share gain

* Constant Currency Regional Sales Growth

** Constant Currency End Market Sales Growth

Note: Sequential growth at actual foreign exchange rates

Strong balance sheet and cash flow generation



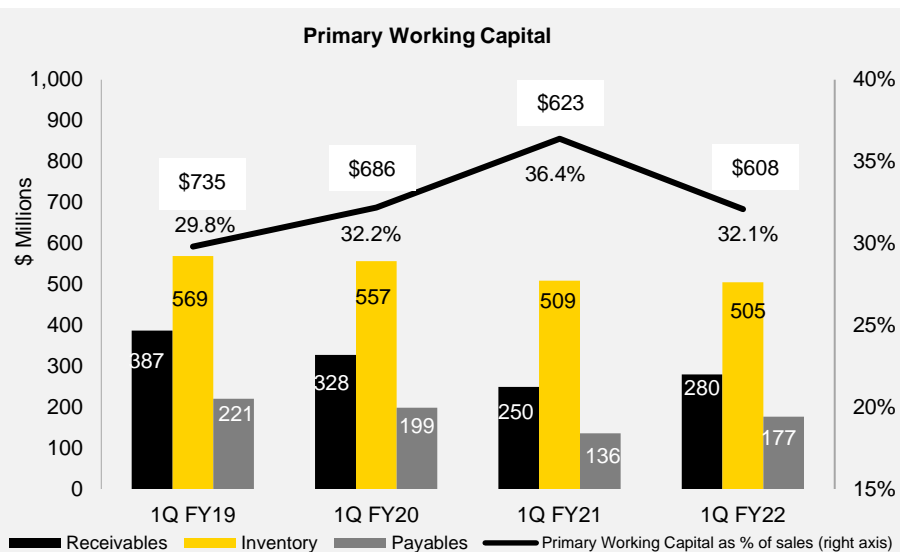
Debt Structure & Share Repurchase Program

Extended debt maturity profile

- Two \$300M notes mature June 2028 & March 2031
- \$700M revolver matures June 2023
- Covenant ratios well within limits

Share repurchase program initiated

- \$200M 3-year program
- \$13M purchased during the quarter; 350K shares



Consolidated Results (\$ in millions)	1Q FY22	1Q FY21
Net Cash Provided by Operating Activities	\$16	\$10
Capital Expenditures, net	\$(17)	\$(39)
Free Operating Cash Flow (FOCF)	\$(2)	\$(29)
Dividends	\$(17)	\$(17)
Share Buyback	\$(13)	\$0

Q2 FY22 Outlook: YoY growth and strong operating leverage

Q2 FY22 Outlook

Sales	\$480M - \$500M (up 9% -14% YoY)
Temporary Costs	~\$10M headwind YoY
Adjusted Operating Income	≥ \$46M (up 96% YoY)
Adjusted Effective Tax Rate	25% - 28%
Free Operating Cash Flow	Positive

Sales mid-point reflects following assumptions:

- Normal sequential pattern; reflecting market uncertainties
- Transportation approximately flat sequentially
- No significant increase in supply chain and energy disruptions
- No meaningful restocking activity

Costs increasing sequentially by ~\$10M

- Price/Raw Materials
- Merit increases
- Depreciation expense

FY22 Outlook: Driving strong full-year operating leverage and cash flow

FY22 Full-Year Outlook

Temporary Prior Year Cost Actions	~\$25M headwind YoY in 1H FY22
Adjusted Effective Tax Rate	25% - 28% (vs. 23.6% in FY21)
Depreciation & Amortization	\$140M - \$145M (up \$15M - \$20M YoY)
Capital Spending	\$110M - \$130M (vs. \$123M in FY21)
Primary Working Capital as a % of sales	Trending towards 30% by FY22 year-end
Free Operating Cash Flow	~100% of adjusted net income

Though visibility remains limited, we expect:

- Transportation to start to recover from chip shortages in Q3
- Growth patterns in 2H22 exceed normal sequential patterns
- Full-year operating leverage (excluding prior year temporary cost actions) to be strong

Leveraging modernized footprint to gain share and improve margins

Looking Ahead: Foundation in place for outperformance

Underlying demand supports positive outlook, despite near-term uncertainty

- Double digit YoY growth expected to continue in Q2
- Pent-up demand in Transportation likely to materialize as macro issues resolve
- YoY sales growth expected throughout FY22; despite market uncertainties potentially influencing volatility

Commercial Excellence initiatives driving share gain

- Recent wins in General Engineering, Aerospace, Energy (including renewables) and mining adjacencies
- Expanding Fit-for-Purpose offering across both new and existing customers
- Establishing a leadership position in electric vehicle applications
- Continued investment in product innovation and customer experience
- Strong history of value-based pricing defending against inflationary pressures

Operational Excellence initiatives driving growth and higher margins

- Improving customer service levels through product consistency and availability
- Ongoing benefits from operationalizing modernization investment
- In-region/for-region strategy helping reduce the effects from supply chain constraints

Appendix



Adjusted Segment Results

Quarter ended (\$ in millions)	September 30, 2021			September 30, 2020		
	Metal Cutting	Infrastructure	Total	Metal Cutting	Infrastructure	Total
Sales	\$298	\$185	\$484	\$248	\$152	\$400
Organic	19%	19%	19%	(23)%	(18)%	(21)%
FX	2%	3%	2%	(1)%	-	(1)%
Business Days	(1)%	(1)%	-	-	1%	-
Divestiture	-	-	-	-	(4)%	(1)%
Constant Currency Regional Growth:						
Americas	22%	28%	24%	(29)%	(27)%	(28)%
EMEA	21%	8%	18%	(24)%	(9)%	(21)%
AsiaPac	7%	7%	7%	(9)%	1%	(6)%
Constant Currency End-market Growth:						
Energy	1%	37%	23%	(17)%	(31)%	(26)%
General Engineering	23%	23%	23%	(20)%	(14)%	(19)%
Transportation	14%	n/a	14%	(21)%	n/a	(21)%
Aerospace	19%	n/a	19%	(45)%	n/a	(45)%
Earthworks	n/a	3%	3%	n/a	(11)%	(11)%
Adjusted Operating Income	\$30	\$26	\$56	\$2	\$10	\$11
Adjusted Operating Margin	10.2%	14.1%	11.6%	1.0%	6.5%	2.9%

Balance Sheet

ASSETS (<i>\$ in millions</i>)	September 2021	June 2021
Cash and cash equivalents	\$107	\$154
Accounts receivable, net	280	303
Inventories	505	476
Other current assets	75	72
Total current assets	\$967	\$1,005
Property, plant and equipment, net	1,036	1,055
Goodwill and other intangible assets, net	391	398
Other assets	213	208
Total assets	\$2,608	\$2,666
LIABILITIES (<i>\$ in millions</i>)		
Revolving and other lines of credit and notes payable	\$0	\$8
Accounts payable	177	178
Other current liabilities	212	251
Total current liabilities	\$389	\$437
Long-term debt	593	592
Other liabilities	261	269
Total liabilities	\$1,243	\$1,298
Kennametal Shareowners' Equity	1,325	1,329
Noncontrolling interests	40	39
Total liabilities and equity	\$2,608	\$2,666

Non-GAAP Reconciliations

The information presented by the Company contains certain non-GAAP financial measures including organic sales decline, constant currency regional sales growth (decline), constant currency end market sales growth (decline), adjusted gross profit and margin; adjusted operating expense and adjusted operating expense as a percentage of sales; adjusted operating income and margin; adjusted effective tax rate (ETR); adjusted net income attributable to Kennametal; adjusted earnings per diluted share (EPS); adjusted earnings before interest, taxes, depreciation and amortization (EBITDA); adjusted Metal Cutting operating income and margin; adjusted Infrastructure operating income and margin; free operating cash flow (FOCF); net debt; and primary working capital (PWC).

Kennametal management believes that presentation of these non-GAAP financial measures provides useful information about the results of operations of the Company for the current, past and future periods. Management believes that investors should have available the same information that management uses to assess operational performance, determine compensation and assess the capital structure of the Company. These Non-GAAP financial measures should not be considered in isolation or as a substitute for the most comparable GAAP measures. Investors are cautioned that non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies.

Accordingly, we have compiled below certain definitions and reconciliations as required by Regulation G.

Adjusted Gross Profit and Margin, Adjusted Operating Expense, Adjusted Operating Expense as a Percentage of Sales, Adjusted Operating Income and Margin, Adjusted ETR, Adjusted Net Income Attributable to Kennametal and Adjusted EPS

The following GAAP financial measures have been presented on an adjusted basis: gross profit and margin, operating expense, operating expense as a percentage of adjusted sales, operating income and margin, ETR, net income and EPS. Detail of these adjustments is included in the reconciliations following these definitions. Management adjusts for these items in measuring and compensating internal performance to more readily compare the Company's financial performance period-to-period.

Organic Sales Growth (Decline)

Organic sales growth (decline) is a non-GAAP financial measure of sales growth (decline) (which is the most directly comparable GAAP measure) excluding the impacts of acquisitions⁽¹⁾, divestitures⁽²⁾, business days⁽³⁾ and foreign currency exchange⁽⁴⁾ from year-over-year comparisons. Management believes this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth (decline) on a consistent basis. Also, we report organic sales decline at the consolidated and segment levels.

Constant Currency Regional Sales Growth (Decline)

Constant currency regional sales growth (decline) is a non-GAAP financial measure of sales growth (decline) (which is the most directly comparable GAAP measure) by region excluding the impacts of acquisitions⁽¹⁾, divestitures⁽²⁾ and foreign currency exchange⁽⁴⁾ from year-over-year comparisons. We note that, unlike organic sales decline, constant currency regional sales growth (decline) does not exclude the impact of business days. We believe this measure provides investors with a supplemental understanding of underlying regional trends by providing regional sales growth (decline) on a consistent basis. Also, we report constant currency regional sales growth (decline) at the consolidated and segment levels.

Non-GAAP Reconciliations (cont'd)

Constant Currency End Market Sales Growth (Decline)

Constant currency end market sales growth (decline) is a non-GAAP financial measure of sales growth (decline) (which is the most directly comparable GAAP measure) by end market excluding the impacts of acquisitions⁽¹⁾, divestitures⁽²⁾ and foreign currency exchange⁽⁴⁾ from year-over-year comparisons. We note that, unlike organic sales decline, constant currency end market sales growth (decline) does not exclude the impact of business days. We believe this measure provides investors with a supplemental understanding of underlying end market trends by providing end market sales growth (decline) on a consistent basis. Also, we report constant currency end market sales growth (decline) at the consolidated and segment levels.

EBITDA

EBITDA is a non-GAAP financial measure and is defined as net income attributable to Kennametal (which is the most directly comparable GAAP measure), with interest expense, interest income, (benefit) provision for income taxes, depreciation and amortization added back. Management believes that EBITDA is widely used as a measure of operating performance and is an important indicator of the Company's operational strength and performance. Nevertheless, the measure should not be considered in isolation or as a substitute for operating income, cash flows from operating activities or any other measure for determining liquidity that is calculated in accordance with GAAP. Additionally, Kennametal will present EBITDA on an adjusted basis. Management uses this information in reviewing operating performance.

Free Operating Cash Flow

FOCF is a non-GAAP financial measure and is defined by the Company as cash provided by operations (which is the most directly comparable GAAP measure) less capital expenditures, plus proceeds from disposals of fixed assets. Management considers FOCF to be an important indicator of the Company's cash generating capability because it better represents cash generated from operations that can be used for dividends, debt repayment, strategic initiatives, and other investing and financing activities.

Net Debt

Net debt is a non-GAAP financial measure and is defined by the Company as total debt less cash and cash equivalents. The most directly comparable GAAP financial measure is total debt. Management believes that net debt aids in the evaluation of the Company's financial condition.

Primary Working Capital

Primary working capital is a non-GAAP financial measure and is defined as accounts receivable, net plus inventories, net minus accounts payable. The most directly comparable GAAP measure is working capital, which is defined as current assets less current liabilities. We believe primary working capital better represents Kennametal's performance in managing certain assets and liabilities controllable at the segment level and is used as such for internal performance measurement.

⁽¹⁾ Acquisition impact is calculated by dividing current period sales attributable to acquired businesses by prior period sales.

⁽²⁾ Divestiture impact is calculated by dividing prior period sales attributable to divested businesses by prior period sales.

⁽³⁾ Business days impact is calculated by dividing the year-over-year change in weighted average working days (based on mix of sales by country) by prior period weighted average working days.

⁽⁴⁾ Foreign currency exchange impact is calculated by dividing the difference between current period sales and current period sales at prior period foreign exchange rates by prior period sales.

Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income ⁽⁵⁾	Diluted EPS	Effective Tax Rate
Q1 FY22 Reported Results	\$ 483.5	\$ 160.8	\$ 102.7	\$ 54.6	\$ 36.2	\$ 0.43	27.0 %
Reported Margins		33.2 %	21.2 %	11.3 %			
Restructuring and related charges	-	1.1	-	1.2	1.0	0.01	21.0 %
Differences in projected annual tax rates	-	-	-	-	-	-	(21.1)%
Q1 FY22 Adjusted Results	\$ 483.5	\$ 161.8	\$ 102.7	\$ 55.9	\$ 37.2	\$ 0.44	26.9 %
Q1 FY 22 Adjusted Margins		33.5 %	21.2 %	11.6 %			

⁽⁵⁾ Attributable to Kennametal Shareholders

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating (Loss) Income	Net (Loss) Income ⁽⁵⁾	Diluted (L)EPS	Effective Tax Rate
Q1 FY21 Reported Results	\$ 400.3	\$ 105.1	\$ 93.3	\$ (17.2)	\$ (21.7)	\$ (0.26)	12.1 %
Reported Margins		26.2 %	23.3 %	(4.3)%			
Restructuring and related charges	-	3.0	-	28.6	25.0	0.30	12.3 %
Differences in projected annual tax rates	-	-	-	-	(1.0)	(0.01)	9.0 %
Q1 FY21 Adjusted Results	\$ 400.3	\$ 108.1	\$ 93.3	\$ 11.4	\$ 2.3	\$ 0.03	33.4 %
Q1 FY21 Adjusted Margins		27.0 %	23.3 %	2.9 %			

Non-GAAP Reconciliations (cont'd)

(\$ in millions)	Three Months Ended September 30,	
	2021	2020
Net income (loss) attributable to Kennametal, reported	\$ 36.2	\$ (21.7)
Add back:		
Interest expense	6.3	10.6
Interest income	(0.2)	(0.3)
Provision for (benefit from) income taxes, reported	14.0	(2.9)
Depreciation	29.1	27.6
Amortization	3.3	3.3
EBITDA	\$ 88.7	\$ 16.6
Margin	18.3 %	4.1 %
Adjustments:		
Restructuring and related charges	1.2	28.5
Adjusted EBITDA	\$ 89.9	\$ 45.1
Adjusted Margin	18.6 %	11.3 %

Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q1 FY22 Reported Results	\$ 298.4	\$ 29.2	\$ 185.1	\$ 26.0
Reported Operating Margin		9.8 %		14.1 %
Restructuring and related charges	-	1.2	-	-
Q1 FY22 Adjusted Results	\$ 298.4	\$ 30.4	\$ 185.1	\$ 26.1
Q1 FY22 Adjusted Operating Margin		10.2 %		14.1 %

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating (Loss) Income	Infrastructure Sales	Infrastructure Operating Income
Q1 FY21 Reported Results	\$ 247.9	\$ (23.6)	\$ 152.4	\$ 7.3
Reported Operating Margin		(9.5)%		4.8 %
Restructuring and related charges	\$ -	\$ 26.0	\$ -	\$ 2.6
Q1 FY21 Adjusted Results	\$ 247.9	\$ 2.4	\$ 152.4	\$ 9.9
Q1 FY21 Adjusted Operating Margin		1.0 %		6.5 %

Non-GAAP Reconciliations (cont'd)

Three Months Ended September 30, 2021	Metal Cutting	Infrastructure	Kennametal
Organic sales growth	19%	19%	19%
Foreign currency exchange effect	2%	3%	2%
Business days effect	(1)%	(1)%	-%
Sales growth	20%	21%	21%

Three Months Ended September 30, 2020	Metal Cutting	Infrastructure	Kennametal
Organic sales decline	(23)%	(18)%	(21)%
Foreign currency exchange effect	(1)%	-%	(1)%
Business days effect	-%	1%	-%
Divestiture effect	-%	(4)%	(1)%
Sales decline	(24)%	(21)%	(23)%

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	22 %	21 %	7 %
Foreign currency exchange effect	2 %	2 %	4 %
Regional sales growth	24 %	23 %	11 %

Infrastructure

Three Months Ended September 30, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	28 %	8 %	7 %
Foreign currency exchange effect	- %	6 %	5 %
Regional sales growth	28 %	14 %	12 %

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Three Months Ended September 30, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	24 %	18 %	7 %
Foreign currency exchange effect	2 %	3 %	5 %
Regional sales growth	26 %	21 %	12 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2020	Americas	EMEA	Asia Pacific
Constant currency regional sales decline	(29)%	(24)%	(9)%
Foreign currency exchange effect	(1)%	1 %	(2)%
Regional sales decline	(30)%	(23)%	(11)%

Infrastructure

Three Months Ended September 30, 2020	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(27)%	(9)%	1 %
Foreign currency exchange effect	2 %	(1)%	(1)%
Divestiture effect	(6)%	- %	- %
Regional sales decline	(31)%	(10)%	- %

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Three Months Ended September 30, 2020	Americas	EMEA	Asia Pacific
Constant currency regional sales decline	(28)%	(21)%	(6)%
Foreign currency exchange effect	- %	1 %	(1)%
Divestiture effect	(3)%	- %	- %
Regional sales decline	(31)%	(20)%	(7)%

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2021	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth	23 %	14 %	19 %	1 %
Foreign currency exchange effect	2 %	3 %	2 %	3 %
End market sales growth	25 %	17 %	21 %	4 %

Infrastructure

Three Months Ended September 30, 2021	Energy	Earthworks	General Engineering
Constant currency end market sales growth	37 %	3 %	23 %
Foreign currency exchange effect	2 %	5 %	2 %
End market sales growth	39 %	8 %	25 %

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Three Months Ended September 30, 2021	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales growth	23 %	3 %	23 %	14 %	19 %
Foreign currency exchange effect	2 %	5 %	2 %	3 %	2 %
End market sales growth	25 %	8 %	25 %	17 %	21 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2020	General			
	Engineering	Transportation	Aerospace	Energy
Constant currency end market sales decline	(20)%	(21)%	(45)%	(17)%
Foreign currency exchange effect	- %	(1)%	- %	- %
End market sales decline	(20)%	(22)%	(45)%	(17)%

Infrastructure

Three Months Ended September 30, 2020	General		
	Energy	Earthworks	Engineering
Constant currency end market sales decline	(31)%	(11)%	(14)%
Foreign currency exchange effect	- %	(1)%	2 %
Divestiture effect	(1)%	- %	(10)%
End market sales decline	(32)%	(12)%	(22)%

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Three Months Ended September 30, 2020	General				
	Energy	Earthworks	Engineering	Transportation	Aerospace
Constant currency end market sales decline	(26)%	(11)%	(19)%	(21)%	(45)%
Foreign currency exchange effect	1 %	(1)%	1 %	(1)%	- %
Divestiture effect	(1)%	- %	(3)%	- %	- %
End market sales decline	(26)%	(12)%	(21)%	(22)%	(45)%

Non-GAAP Reconciliations (cont'd)

Net Debt (in millions)	Three months ended			
	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total debt (gross)	\$ 592.9	\$ 639.7	\$ 596.4	\$ 592.1
Less: cash and cash equivalents	107.3	98.3	113.5	102.1
Net debt	\$ 485.6	\$ 541.4	\$ 482.9	\$ 490.0

(in millions)	Three Months Ended September 30,	
	2021	2020
Net cash flow provided by operating activities	\$ 15.8	\$ 9.6
Purchases of property, plant and equipment	(17.8)	(39.3)
Proceeds from disposals of property, plant and equipment	0.4	0.3
Free operating cash flow	\$ (1.6)	\$ (29.4)

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020	Average
Current assets	\$ 966,948	\$ 1,004,807	\$ 966,916	\$ 948,686	\$ 935,721	
Current liabilities	389,223	437,394	425,553	402,641	415,573	
Working capital, GAAP	\$ 577,725	\$ 567,413	\$ 541,363	\$ 546,045	\$ 520,148	
Excluding items:						
Cash and cash equivalents	(107,316)	(154,047)	(114,307)	(103,188)	(98,290)	
Other current assets	(74,906)	(71,470)	(73,235)	(73,123)	(78,700)	
Total excluded current assets	(182,222)	(225,517)	(187,542)	(176,311)	(176,990)	
Adjusted current assets	784,726	779,290	779,374	772,375	758,731	
Revolving and other lines of credit and notes payable to banks	(368)	(8,365)	(18,745)	(34,979)	(46,458)	
Other current liabilities	(211,778)	(251,370)	(242,327)	(233,509)	(233,039)	
Total excluded current liabilities	(212,146)	(259,735)	(261,072)	(268,488)	(279,497)	
Adjusted current liabilities	177,077	177,659	164,481	134,153	136,076	
Primary working capital	\$ 607,649	\$ 601,631	\$ 614,893	\$ 638,222	\$ 622,655	\$ 617,010
			Three Months Ended			
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	Total	
Sales	\$ 483,509	\$ 515,971	\$ 484,658	\$ 440,507	\$ 1,924,645	
Primary working capital as a percentage of sales						32.1 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	Average
Current assets	\$ 935,721	\$ 1,440,812	\$ 966,723	\$ 1,035,912	\$ 1,065,389	
Current liabilities	415,573	898,080	383,131	409,110	418,719	
Working capital, GAAP	\$ 520,148	\$ 542,732	\$ 583,592	\$ 626,802	\$ 646,670	
Excluding items:						
Cash and cash equivalents	(98,290)	(606,684)	(85,230)	(105,210)	(113,522)	
Other current assets	(78,700)	(73,698)	(60,550)	(97,824)	(67,106)	
Total excluded current assets	(176,990)	(680,382)	(145,780)	(203,034)	(180,628)	
Adjusted current assets	758,731	760,430	820,943	832,878	884,761	
Current maturities of long-term debt and capital leases, including notes payable	(46,458)	(500,368)	(4,500)	(2,102)	(3,528)	
Other current liabilities	(233,039)	(233,071)	(213,569)	(233,848)	(216,517)	
Total excluded current liabilities	(279,497)	(733,439)	(218,069)	(235,950)	(220,045)	
Adjusted current liabilities	136,076	164,641	165,062	173,160	198,674	
Primary working capital	\$ 622,655	\$ 595,789	\$ 655,881	\$ 659,718	\$ 686,087	\$ 644,026
	Three Months Ended					
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	Total	
Sales	\$ 400,305	\$ 379,053	\$ 483,084	\$ 505,080	\$ 1,767,522	
Primary working capital as a percentage of sales						36.4 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	Average
Current assets	\$ 1,065,389	\$ 1,190,827	\$ 1,162,842	\$ 1,119,034	\$ 1,121,482	
Current liabilities	418,719	461,726	430,018	412,053	439,171	
Working capital, GAAP	\$ 646,670	\$ 729,101	\$ 732,824	\$ 706,981	\$ 682,311	
Excluding items:						
Cash and cash equivalents	(113,522)	(182,015)	(112,597)	(96,276)	(102,084)	
Other current assets	(67,106)	(57,381)	(58,221)	(63,509)	(63,461)	
Total excluded current assets	(180,628)	(239,396)	(170,818)	(159,785)	(165,545)	
Adjusted current assets	884,761	951,431	992,024	959,249	955,937	
Current maturities of long-term debt and capital leases, including notes payable	(3,528)	(157)	-	(3,371)	(756)	
Other current liabilities	(216,517)	(248,661)	(224,949)	(210,332)	(217,528)	
Total excluded current liabilities	(220,045)	(248,818)	(224,949)	(213,703)	(218,284)	
Adjusted current liabilities	198,674	212,908	205,069	198,350	220,887	
Primary working capital	\$ 686,087	\$ 738,523	\$ 786,955	\$ 760,899	\$ 735,050	\$ 741,503
			Three Months Ended			
		9/30/2019	6/30/2019	3/31/2019	12/31/2018	Total
Sales		\$ 518,088	\$ 603,949	\$ 597,204	\$ 587,394	\$ 2,306,635
Primary working capital as a percentage of sales						32.1 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	Average
Current assets	\$ 1,121,482	\$ 1,546,166	\$ 1,240,587	\$ 1,128,382	\$ 1,075,915	
Current liabilities	439,171	886,531	477,790	407,621	396,967	
Working capital, GAAP	\$ 682,311	\$ 659,635	\$ 762,797	\$ 720,761	\$ 678,948	
Excluding items:						
Cash and cash equivalents	(102,084)	(556,153)	(221,906)	(159,940)	(110,697)	
Other current assets	(63,461)	(63,257)	(70,926)	(68,057)	(64,874)	
Total excluded current assets	(165,545)	(619,410)	(292,832)	(227,997)	(175,571)	
Adjusted current assets	955,937	926,756	947,755	900,385	900,344	
Current maturities of long-term debt and capital leases, including notes payable	(756)	(400,200)	(1,399)	(1,360)	(1,252)	
Other current liabilities	(217,528)	(264,428)	(256,186)	(215,669)	(209,373)	
Total excluded current liabilities	(218,284)	(664,628)	(257,585)	(217,029)	(210,625)	
Adjusted current liabilities	220,887	221,903	220,205	190,592	186,342	
Primary working capital	\$ 735,050	\$ 704,853	\$ 727,550	\$ 709,793	\$ 714,002	\$ 718,250
	Three Months Ended					
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	Total	
Sales	\$ 586,687	\$ 646,119	\$ 607,936	\$ 571,345	\$ 2,412,087	
Primary working capital as a percentage of sales						29.8 %