FY23 Third Quarter
Earnings Call Presentation

May 2, 2023

KENNAMETAL®

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 sales, adjusted operating income, FOCF, primary working capital, capital expenditures and adjusted effective tax rate for the second quarter and full year of fiscal 2023 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: uncertainties related to changes in macroeconomic and/or global conditions, including as a result of increased inflation and Russia's invasion of Ukraine and the resulting sanctions on Russia; uncertainties related to the effects of the ongoing COVID-19 pandemic, including 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; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability, including the conflict in Ukraine; 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; energy costs; commodity prices; 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.

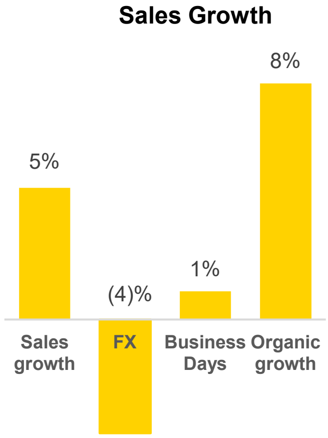
This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available on our website at www.kennametal.com. Once on the homepage, select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

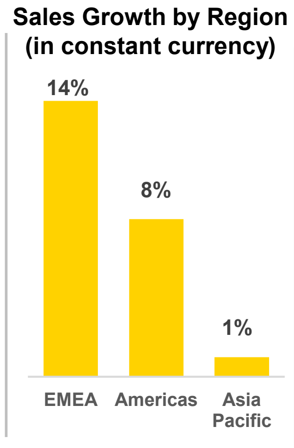
Q3 FY23 Summary

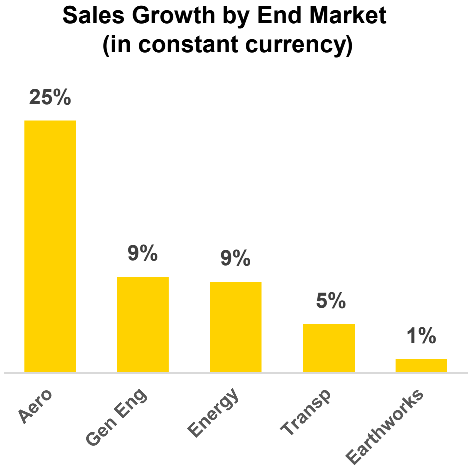
Consistent growth and strong free operating cash flow in a challenging environment

Price and growth initiatives
driving sales gains

- **Sales up YoY to $536 million**
  - Organic growth in both segments
  - Metal Cutting 10%, Infrastructure 5%
  - Moderating YoY FX headwinds
- **Growth in all regions**
  - EMEA – strong growth, despite negative ~150 bps effect of Russian exit in 3Q22
  - Americas – strong growth in Metal Cutting driven by strategic initiatives
  - Asia Pacific – slower than anticipated recovery in China
- **Growth in all end markets**
  - Price, ongoing market resiliency and strategic initiatives, driving growth







Underlying operating performance masked
by inflation and moderating FX

Lower inventory levels;
Normalization of supply chain

- **Adjusted EBITDA of $84 million at 15.7% margin***
  - Metal Cutting volume at expected operating leverage level
  - Infrastructure under-absorption of $5M as expected
  - Foreign exchange headwinds ease
  - Reduced pension income
  - Price mitigates raw material, wage and general inflation

* Financial results were not adjusted in Q3 FY23

Returned $23M to shareholders

- $7 million in share repurchases and $16 million dividends
- Free operating cash flow increased YoY to $56M

Earnings per share: Reported and Adjusted EPS of $0.39* (vs. $0.47 adjusted EPS prior year)

Recent Customer Wins Q3 FY23

Strategic growth initiatives and innovative products continue to increase share-of-wallet

Power Generation

- Provided custom wear-resistant solution for power recovery application
- Increased share-of-wallet by demonstrating superior product performance, value and on-time delivery, while commanding a market premium

Aerospace

- Provided tooling for a commercial engine manufacturer setting up a new facility in India
- Won by providing a proven solution that exceeded customer's timing expectations

EV Braking System

- Secured preferred supplier status in tooling for EV brake safety control system with leading Asian EV OEM
- Increased share-of-wallet with the customer by meeting stringent quality specifications while reducing customer total costs

Energy

- Increased share-of-wallet with a leading manufacturer of steel components for oil and gas industry
- Won by delivering a full solution tooling package that resulted in 300% performance increase for the customer

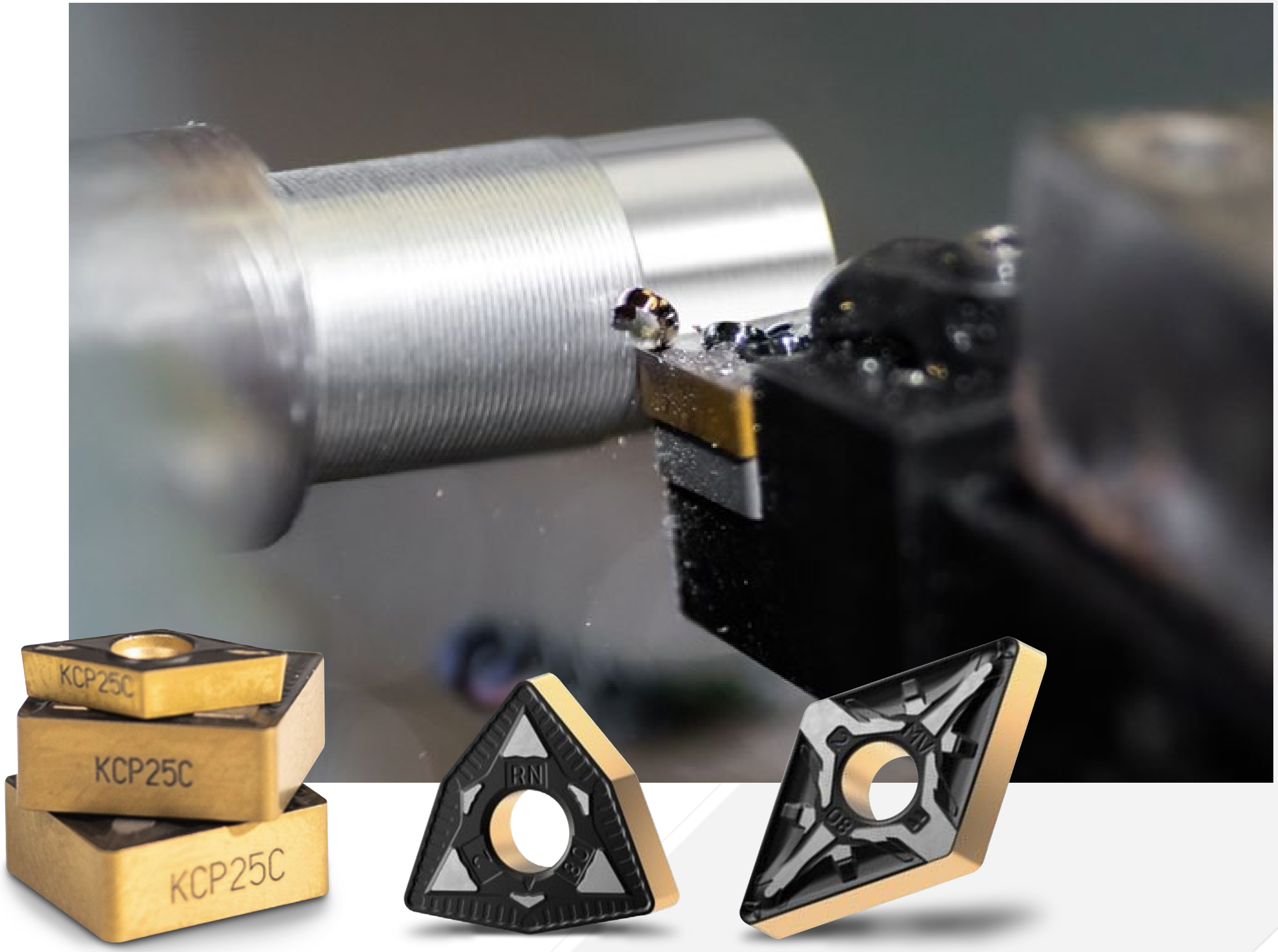
Additive

- Leveraged our additive manufacturing capability to develop wear resistant nozzles used in underground mining
- Won by increasing nozzle life, upgrading from a steel solution to tungsten carbide with no required tooling change and reduced customer lead time

Delivering next generation performance enabled by Modernization

KENGold™ coated turning inserts provide a substantial improvement in performance*:

- *Longer life* – up to 220% improvement in thermal resistance and up to 180% improvement in abrasion resistance
- *Faster* – 20% cutting speed increase for higher metal removal rates and productivity
- *More Productive – Reliable* – up to 60% improvement in chipping resistance enhanced edge protection delivers greater accuracy, reliability and less waste
- *Easy to use* – gold flank makes it easy to identify wear and reduce waste
- *Versatility* – application appeals to a wide range of end markets



* As compared to Kennametal grades KCP25 and KCP25B

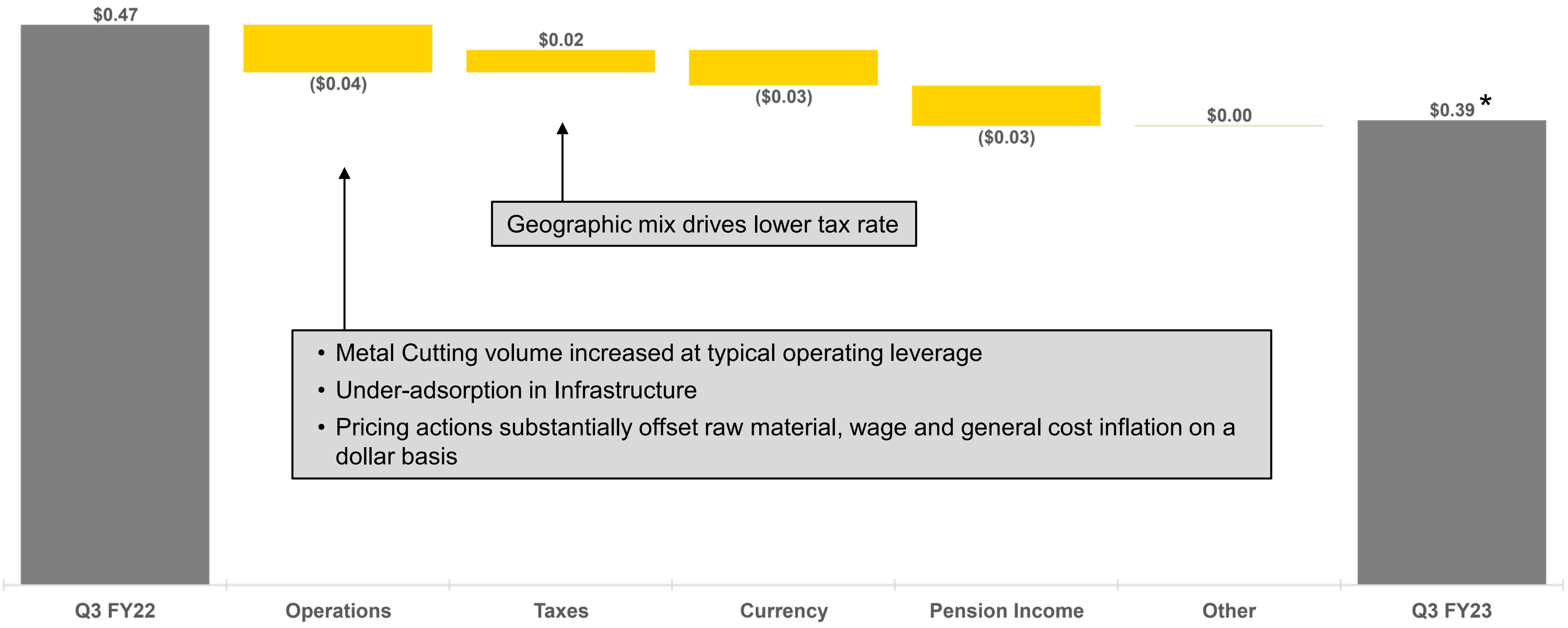
Remained focused on strategy execution in an inflationary and unfavorable FX environment

Quarter Ended ($ in millions)	Change from PY	Reported* March 31, 2023	Adjusted March 31, 2022	Reported March 31, 2022
Sales	**5%**	**$536**	**$512**	**$512**
Organic		8%	8%	8%
FX		(4)%	(4)%	(4)%
Business Days		1%	2%	2%
Gross Profit	**0%**	**$168**	**$168**	**$165**
% of sales	-140 bps	31.3%	32.7%	32.1%
Operating Expense	**7%**	**$113**	**$106**	**$107**
% of sales	40 bps	21.1%	20.7%	20.9%
EBITDA	**(11)%**	**$84**	**$94**	**$89**
% of sales	-260 bps	15.7%	18.3%	17.4%
Operating Income	**(10)%**	**$52**	**$58**	**$53**
% of sales	-160 bps	9.8%	11.4%	10.4%
Effective Tax Rate	**-330 bps**	**24.4%**	**27.7%**	**28.3%**
EPS (Earnings per Diluted Share)	**(16)%**	**$0.39**	**$0.47**	**$0.42**

*Note: Financial results were not adjusted in Q3 FY23; therefore, adjusted numbers are not presented.

Q3 FY23 Adjusted EPS Bridge

Volume growth offset by inflation, foreign exchange and macro headwinds



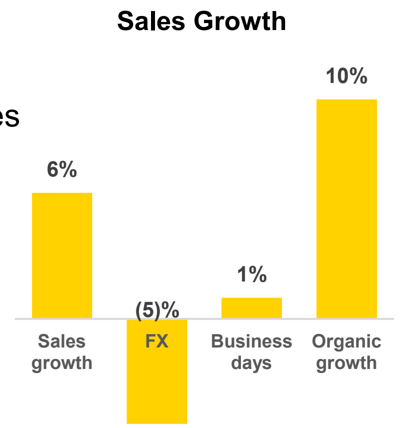
* Financial results were not adjusted for Q3 FY23

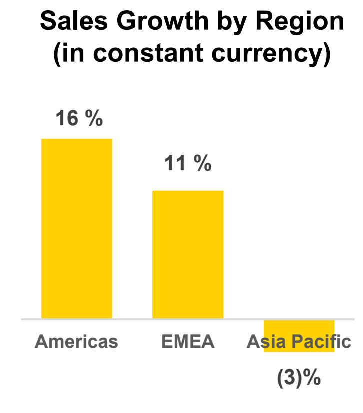
Improving performance driven by strategic initiatives, innovation and operational excellence

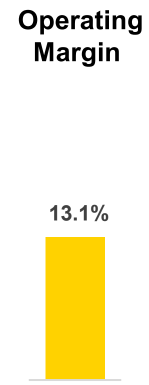
10% Organic sales growth

Sales of $334 million

- **Strong growth in the Americas and EMEA**
  - Americas strength driven by broad, resilient demand
  - EMEA strength driven by focusing on strategic initiatives
  - Asia Pacific – slower recovery in China





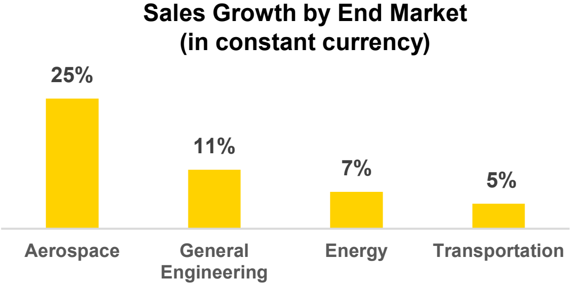


- **Adjusted operating margin improved to 13.1%*, despite ~30 bps FX headwind**
  - Strongest operating margin post COVID
  - Volume increased at expected operating leverage
  - Macroeconomic headwinds from FX moderated, inflation continued
  - Price mitigates raw materials, wage and general inflation

End markets remain resilient

Growth across all markets

- **Growth in all end markets**
  - Aerospace growth benefiting from strategic initiatives
  - General Engineering solid growth offset by Russia exit and slower China recovery
  - Energy growth rebounded after O&G customer inventory adjustments last quarter
  - Transportation improving in the Americas and EMEA



Commercial and Operational Excellence

Positioning for growth

- Continue to build on strategic initiatives in EV, Aerospace and General Engineering
- Focusing on Lean Operations to drive additional productivity and profitability
- Increasing customer service levels while improving inventory turns
- Positioned for further margin expansion through focused operational excellence initiatives

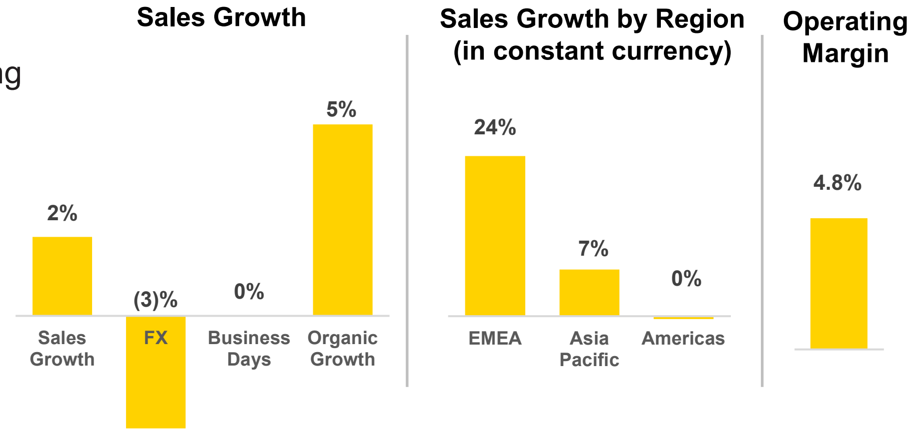
* Financial results were not adjusted in Q3 FY23

Positioning for improved profitability in Q4 FY23

5% Organic sales growth

Sales of $203 million

- **Growth in EMEA and Asia Pacific, Americas flat**
  - EMEA – growth driven mainly by General Engineering
  - Americas – growth in Energy, offset by General Engineering
  - Asia Pacific – growth driven by Earthworks

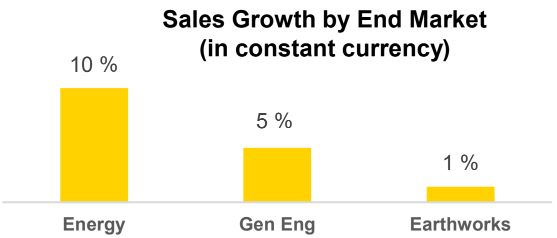


- **Adjusted operating margin of 4.8%***
  - Affected by under-absorption; planned shutdowns to further optimize inventory levels
  - Lower year-over-year price/raw favorability; pricing substantially covered raw material, wage and general cost inflation
  - Lower volume in Americas partially offset by growth in EMEA and Asia Pacific
- **Q4 FY23 margin recovery expected**
  - Under absorption to abate – Q4 margin expected to return to approximately Q1 FY23 levels

Strength in End markets continues

Growth across all markets

- **Growth across all end markets**
  - Energy end market demand supported by US-land-only-rig count up ~20%, and growth in international oil and gas markets
  - General Engineering growth driven by stronger demand in EMEA
  - Earthworks strong in Asia Pacific driven mainly by underground mining



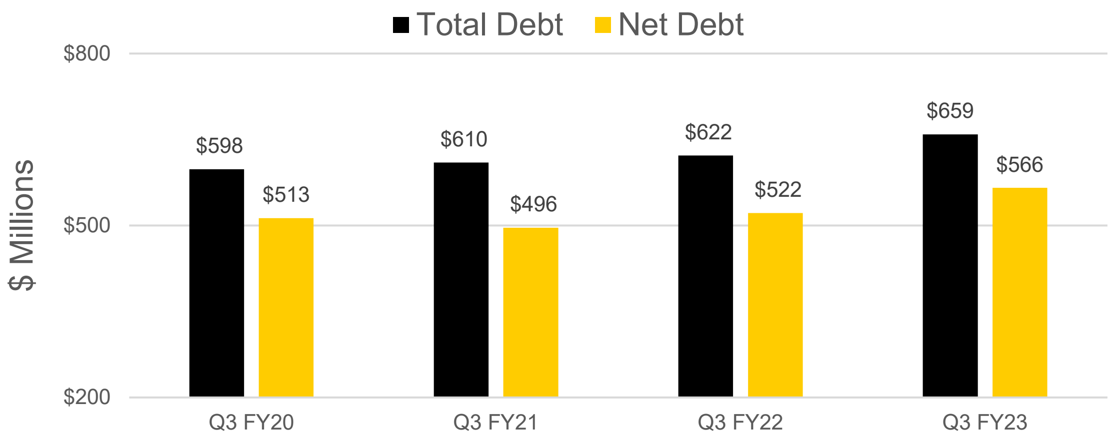
Commercial and Operational Excellence

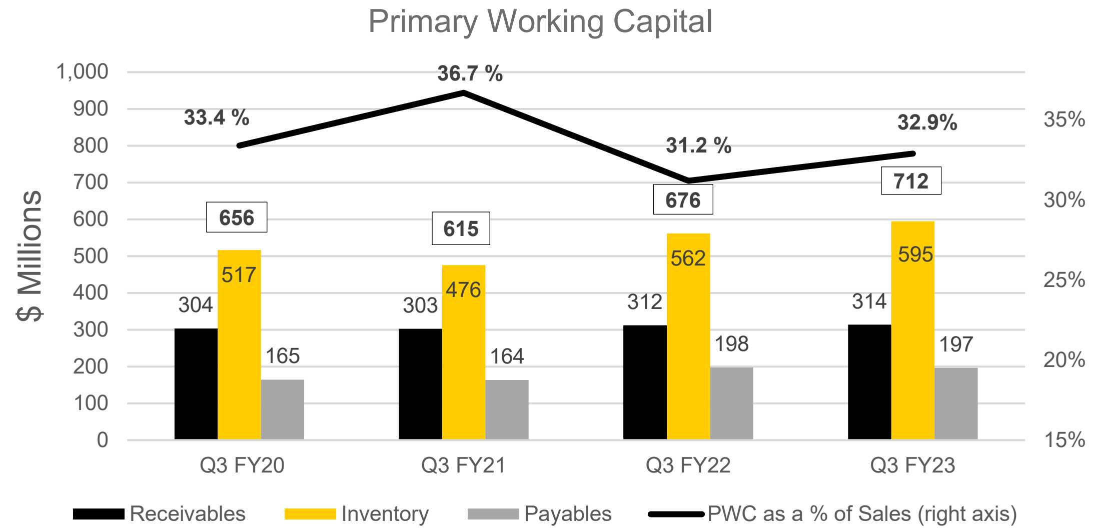
Positioning for growth

- Advancing share gain initiatives in target end market and underserved geographies
- Reducing inventory while improving customer service levels
- Disciplined focus on continuous improvement to drive productivity and cost savings

* Financial results were not adjusted in Q3 FY23

Strong cashflow and balance sheet support investment and returning cash to shareholders





Share Repurchases & Debt Profile

- **$200M 3-year share repurchase program**
  - Q3: $7M purchased; 262K shares
  - Since inception: $123M purchased; 4.3M shares, ~5% shares outstanding
- **Debt profile**
  - Two $300M notes mature June 2028 & March 2031
  - $700M revolver amended and extended to June 2027
    - $63M outstanding at quarter-end
  - Covenant ratio well within limits

Consolidated Results ($ in millions)	Q3 FY23	Q2 FY22
Net Cash from Operating Activities	$74	$35
Capital Expenditures, Net	$18	$22
Free Operating Cash Flow (FOCF)	$56	$13
Dividends	$(16)	$(17)

Raising sales and EPS outlook due to ongoing end market resilience

FY23 Total Year Outlook	
Sales Volume growth Price realization Foreign exchange	$2,070M - $2,100M 1% - 2% ~7% ~$100M headwind
Interest Expense	~$28M
Adjusted Effective Tax Rate	~24%
Adjusted EPS	$1.50 - $1.70
Depreciation & Amortization	~$135M
Capital Spending	~$100M
Primary Working Capital (% of sales)	31 - 33% throughout the year
Free Operating Cash Flow (FOCF)	~100% of adjusted net income
Share Repurchases	Offset dilution from compensation programs, at a minimum

Revenue Assumptions YoY:

- 4Q sales expected to be approximately in line with normal seasonality; excluding the effects of currency exchange
- Continued resilience in all end markets
- Headwinds from COVID in China expected to improve in Q4

Profitability Assumptions YoY remain unchanged:

- Inflationary environment continues
  - Pricing to cover raw material, wage and general cost increases, on a dollar basis
  - Raw material cost YoY headwinds continue; tungsten prices expected to be flat for Q4
- FX YoY headwind of ~$20 million on operating income
- Metal Cutting volume levers at expected rate
- Infrastructure margin in Q4 to return to approximately Q1 FY23 level
- Non-cash pension income lower by ~$14 million

Solid quarter for growth & cash flow; further margin expansion & share gain expected in the future

Commercial Excellence

- Pricing actions, strategic initiatives and market resiliency supporting growth despite macroeconomic uncertainties in FY23
- Strong growth prospects including:
  - Base business expansion through strategic initiatives, innovation and customer focus
  - Mega-trends such as Hybrid and Electric Vehicles, Digitalization and ESG align well with our technical expertise and market exposure
  - Significant opportunity to increase share-of-wallet and secure new customers in underserved markets, geographies and applications spaces

Operational Excellence

- Opportunity to further advance Operational Excellence benefits, including:
  - Driving greater productivity and profitability through lean and smart factory initiatives
  - Continuing to elevate service levels to delight customers and earn a larger share of their business
  - Leveraging modernized processes to enable new product innovations

Cash Flow

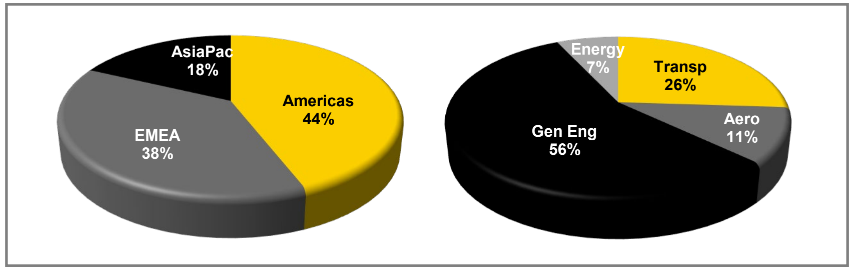
- Delivered strong cashflow in Q3
- Opportunity ahead to further increase cash flow through margin expansion and working capital improvements, including inventory reductions
- Maintaining focus on returning cash to shareholders and investing in strategic initiatives

Appendix

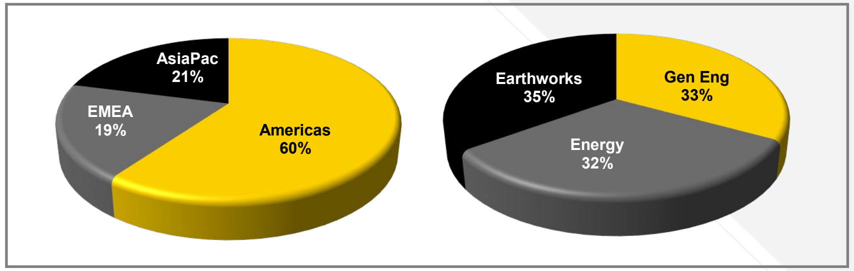
KENNAMETAL®

Growth in all end markets and regions; aerospace, transportation & earthworks at double-digit YoY growth

Metal Cutting



Infrastructure



Period Ending March 31, 2023

($ in millions)

		Q3 FY23		
	% of KMT total	**Metal Cutting**	**Infrastructure**	**Total**
Sales		**$334**	**$203**	**$536**
Organic		**10%**	**5%**	**8%**
FX		**(5)%**	**(3)%**	**(4)%**
Working Days		**1%**	**-**	**1%**
Constant Currency Regional Growth:				
Americas	*50%*	16%	-%	8%
EMEA	*31%*	11%	24%	14%
AsiaPac	*19%*	(3)%	7%	1%
Constant Currency End Market Growth:				
General Engineering	*47%*	11%	5%	9%
Energy	*17%*	7%	10%	9%
Transportation	*16%*	5%	N/A	5%
Earthworks	*13%*	N/A	1%	1%
Aerospace	*7%*	25%	N/A	25%
Operating Income		**$44**	**$10**	**$52**
Operating Margin		**13.1%**	**4.8%**	**9.8%**

Strong balance sheet supports initiatives

ASSETS *($ in millions)*	**March 2023**	**June 2022**
Cash and cash equivalents	$93	$86
Accounts receivable, net	314	295
Inventories	595	571
Other current assets	77	73
Total current assets	1,079	1,025
Property, plant and equipment, net	975	1,002
Goodwill and other intangible assets, net	365	370
Other assets	184	177
Total assets	$2,604	$2,574
LIABILITIES *($ in millions)*		
Revolving and other lines of credit and notes payable	$64	$21
Accounts payable	197	228
Other current liabilities	228	237
Total current liabilities	489	486
Long-term debt	595	594
Other liabilities	204	202
Total liabilities	1,287	1,282
Kennametal Shareowners' Equity	1,276	1,253
Noncontrolling interest	40	39
Total liabilities and equity	$2,604	$2,574

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 growth (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 growth (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 growth (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
Q3 FY22 Reported Results	$ 512.3	$ 164.6	$ 107.1	$ 53.4	$ 35.3	$ 0.42	28.3 %
Reported Margins		32.1 %	20.9 %	10.4 %			
Restructuring and related charges	—	2.1	—	3.0	2.4	0.03	21.0
Charges related to Russian and Ukrainian operations [6]	—	0.9	(0.9)	1.8	1.8	0.02	—
Differences in projected annual tax rates	—	—	—	—	(0.4)	—	(21.6)
Q3 FY22 Adjusted Results	$ 512.3	$ 167.6	$ 106.2	$ 58.2	$ 39.1	$ 0.47	27.7 %
Q3 FY22 Adjusted Margins		32.7 %	20.7 %	11.4 %			

[5] Attributable to Kennametal Shareholders.

[6] During the third quarter of fiscal 2022, the Company ceased operations in Russia. The related charges represent the expected risk of loss related to accounts receivables and the impairment of inventory in connection with the Company's Russian and Ukrainian operations.

Non-GAAP Reconciliations (cont'd)

($ in millions)	Three Months Ended March 31, 2023	2022
Net income attributable to Kennametal, reported	$ 31.9	$ 35.3
Add back:		
Interest expense	7.7	6.4
Interest income	(0.3)	(0.3)
Provision for income taxes	10.7	14.6
Depreciation	30.8	29.8
Amortization	3.2	3.2
EBITDA	$ 84.0	$ 89.0
Margin	15.7 %	17.4 %
Adjustments:		
Restructuring and related charges	—	3.0
Charges related to Russian and Ukrainian operations	—	1.8
Adjusted EBITDA	$ 84.0	$ 93.8
Adjusted Margin	15.7 %	18.3 %

Non-GAAP Reconciliations (cont'd)

($ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q3 FY22 Reported Results	$ 313.8	$ 30.2	$ 198.4	$ 23.7
Reported Operating Margin		9.6 %		11.9 %
Restructuring and related charges	—	3.0	—	—
Charges related to Russian and Ukrainian operations	$ —	$ 1.6	$ —	$ 0.2
Q3 FY22 Adjusted Results	$ 313.8	$ 34.9	$ 198.4	$ 23.9
Q3 FY22 Adjusted Operating Margin		11.1 %		12.0 %

Non-GAAP Reconciliations (cont'd)

Three Months Ended March 31, 2023	Metal Cutting	Infrastructure	Kennametal
Organic sales growth	10 %	5 %	8 %
Foreign currency exchange effect	(5)	(3)	(4)
Business days effect	1	—	1
Sales growth	6 %	2 %	5 %

Three Months Ended March 31, 2022	Metal Cutting	Infrastructure	Kennametal
Organic sales growth	5 %	12 %	8 %
Foreign currency exchange effect	(5)	(1)	(4)
Business days effect	2	1	2
Sales growth	2 %	12 %	6 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting			
Three Months Ended March 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth (decline)	16 %	11 %	(3) %
Foreign currency exchange effect	—	(6)	(7)
Regional sales growth (decline)	16 %	5 %	(10) %

Infrastructure			
Three Months Ended March 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	— %	24 %	7 %
Foreign currency exchange effect	(1)	(8)	(7)
Regional sales (decline) growth	(1) %	16 %	— %

Kennametal			
Three Months Ended March 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	8 %	14 %	1 %
Foreign currency exchange effect	—	(7)	(7)
Regional sales growth (decline)	8 %	7 %	(6) %

Non-GAAP Reconciliations (cont'd)

Metal Cutting			
Three Months Ended March 31, 2022	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth (decline)	11 %	9 %	(7)%
Foreign currency exchange effect	—	(10)	(1)
Regional sales growth (decline)	11 %	(1)%	(8)%

Infrastructure			
Three Months Ended March 31, 2022	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	20 %	13 %	— %
Foreign currency exchange effect	(1)	(7)	1
Regional sales growth	19 %	6 %	1 %

Kennametal			
Three Months Ended March 31, 2022	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth (decline)	15 %	9 %	(4)%
Foreign currency exchange effect	—	(9)	(1)
Regional sales growth (decline)	15 %	— %	(5)%

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended March 31, 2023	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth	11 %	5 %	25 %	7 %
Foreign currency exchange effect	(4)	(5)	(4)	(4)
End market sales growth	7 %	— %	21 %	3 %

Infrastructure

Three Months Ended March 31, 2023	Energy	Earthworks	General Engineering
Constant currency end market sales growth	10 %	1 %	5 %
Foreign currency exchange effect	(2)	(4)	(4)
End market sales growth (decline)	8 %	(3)%	1 %

Kennametal

Three Months Ended March 31, 2023	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales growth	9 %	1 %	9 %	5 %	25 %
Foreign currency exchange effect	(2)	(4)	(3)	(5)	(4)
End market sales growth	7 %	(3)%	6 %	— %	21 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended March 31, 2022	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth (decline)	10 %	(7)%	29 %	9 %
Foreign currency exchange effect	(4)	(4)	(5)	(3)
End market sales growth (decline)	6 %	(11)%	24 %	6 %

Infrastructure

Three Months Ended March 31, 2022	Energy	Earthworks	General Engineering
Constant currency end market sales growth	33 %	13 %	1 %
Foreign currency exchange effect	(2)	(2)	(1)
End market sales growth	31 %	11 %	— %

Kennametal

Three Months Ended March 31, 2022	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales growth (decline)	25 %	13 %	8 %	(7)%	29 %
Foreign currency exchange effect	(2)	(2)	(4)	(4)	(5)
End market sales growth (decline)	23 %	11 %	4 %	(11)%	24 %

Non-GAAP Reconciliations (cont'd)

Net Debt	**Three Months Ended**			
(in millions)	**3/31/2023**	**3/31/2022**	**3/31/2021**	**3/31/2020**
Total debt (gross)	$ 659.0	$ 621.9	$ 610.4	$ 598.1
Less: cash and cash equivalents	93.5	100.0	114.3	85.2
Net debt	$ 565.5	$ 521.9	$ 496.1	$ 512.9

	Three Months Ended March 31,	
(in millions)	**2023**	**2022**
Net cash flow provided by operating activities	$ 73.7	$ 35.2
Purchases of property, plant and equipment	(20.5)	(22.4)
Proceeds from disposals of property, plant and equipment	2.3	0.2
Free operating cash flow	$ 55.5	$ 13.0

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022	Average
Current assets	$ 1,079,035	$ 1,048,303	$ 1,011,486	$ 1,024,708	$ 1,043,241	
Current liabilities	488,729	494,334	497,488	485,610	460,365	
Working capital, GAAP	$ 590,306	$ 553,969	$ 513,998	$ 539,098	$ 582,876	
Excluding items:						
Cash and cash equivalents	(93,474)	(76,784)	(64,568)	(85,586)	(99,982)	
Other current assets	(76,607)	(74,723)	(76,732)	(72,940)	(69,582)	
Total excluded current assets	(170,081)	(151,507)	(141,300)	(158,526)	(169,564)	
Adjusted current assets	908,954	896,796	870,186	866,182	873,677	
Revolving and other lines of credit and notes payable to banks	(64,055)	(78,805)	(85,239)	(21,186)	(28,736)	
Other current liabilities	(227,516)	(208,807)	(206,309)	(236,537)	(233,942)	
Total excluded current liabilities	(291,571)	(287,612)	(291,548)	(257,723)	(262,678)	
Adjusted current liabilities	197,158	206,722	205,940	227,887	197,687	
Primary working capital	$ 711,796	$ 690,074	$ 664,246	$ 638,295	$ 675,990	$ 676,080

	Three Months Ended				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	Total
Sales	$ 536,036	$ 497,121	$ 494,792	$ 530,016	$ 2,057,965
Primary working capital as a percentage of sales					32.9 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021	Average
Current assets	$ 1,043,241	$ 984,210	$ 966,948	$ 1,004,807	$ 966,916	
Current liabilities	460,365	410,983	389,223	437,394	425,553	
Working capital, GAAP	$ 582,876	$ 573,218	$ 577,725	$ 567,413	$ 541,363	
Excluding items:						
Cash and cash equivalents	(99,982)	(101,799)	(107,316)	(154,047)	(114,307)	
Other current assets	(69,582)	(76,794)	(74,906)	(71,470)	(73,235)	
Total excluded current assets	(169,564)	(178,593)	(182,222)	(225,517)	(187,542)	
Adjusted current assets	873,677	805,608	784,726	779,290	779,374	
Revolving and other lines of credit and notes payable to banks	(28,736)	(12,228)	(368)	(8,365)	(18,745)	
Other current liabilities	(233,942)	(212,898)	(211,778)	(251,370)	(242,327)	
Total excluded current liabilities	(262,678)	(225,126)	(212,146)	(259,735)	(261,072)	
Adjusted current liabilities	197,687	185,857	177,077	177,659	164,481	
Primary working capital	$ 675,990	$ 619,751	$ 607,649	$ 601,631	$ 614,893	$ 623,983

	Three Months Ended				
	3/31/2022	12/31/2021	9/30/2021	6/30/2021	Total
Sales	$ 512,259	$ 486,673	$ 483,509	$ 515,971	$ 1,998,412
Primary working capital as a percentage of sales					31.2 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020	Average
Current assets	$ 966,916	$ 948,686	$ 935,721	$ 1,440,812	$ 966,723	
Current liabilities	425,553	402,641	415,573	898,080	383,131	
Working capital, GAAP	$ 541,363	$ 546,045	$ 520,148	$ 542,732	$ 583,592	
Excluding items:						
Cash and cash equivalents	(114,307)	(103,188)	(98,290)	(606,684)	(85,230)	
Other current assets	(73,235)	(73,123)	(78,700)	(73,698)	(60,550)	
Total excluded current assets	(187,542)	(176,311)	(176,990)	(680,382)	(145,780)	
Adjusted current assets	779,374	772,375	758,731	760,430	820,943	
Current maturities of long-term debt and capital leases, including notes payable	(18,745)	(34,979)	(46,458)	(500,368)	(4,500)	
Other current liabilities	(242,327)	(233,509)	(233,039)	(233,071)	(213,569)	
Total excluded current liabilities	(261,072)	(268,488)	(279,497)	(733,439)	(218,069)	
Adjusted current liabilities	164,481	134,153	136,076	164,641	165,062	
Primary working capital	$ 614,893	$ 638,222	$ 622,655	$ 595,789	$ 655,881	$ 625,488

	Three Months Ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	Total
Sales	$ 484,658	$ 440,507	$ 400,305	$ 379,053	$ 1,704,523
Primary working capital as a percentage of sales					36.7 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019	Average
Current assets	$ 966,723	$ 1,035,912	$ 1,065,389	$ 1,190,827	$ 1,162,842	
Current liabilities	383,131	409,110	418,719	461,726	430,018	
Working capital, GAAP	$ 583,592	$ 626,802	$ 646,670	$ 729,101	$ 732,824	
Excluding items:						
Cash and cash equivalents	(85,230)	(105,210)	(113,522)	(182,015)	(112,597)	
Other current assets	(60,550)	(97,824)	(67,106)	(57,381)	(58,221)	
Total excluded current assets	(145,780)	(203,034)	(180,628)	(239,396)	(170,818)	
Adjusted current assets	820,943	832,878	884,761	951,431	992,024	
Current maturities of long-term debt and capital leases, including notes payable	(4,500)	(2,102)	(3,528)	(157)	—	
Other current liabilities	(213,569)	(233,848)	(216,517)	(248,661)	(224,949)	
Total excluded current liabilities	(218,069)	(235,950)	(220,045)	(248,818)	(224,949)	
Adjusted current liabilities	165,062	173,160	198,674	212,908	205,069	
Primary working capital	$ 655,881	$ 659,718	$ 686,087	$ 738,523	$ 786,955	$ 705,433

	Three Months Ended				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	Total
Sales	$ 483,084	$ 505,080	$ 518,088	$ 603,949	$ 2,110,201
Primary working capital as a percentage of sales					33.4 %

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