



**FY24 First Quarter
Earnings Call Presentation
November 1, 2023**



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, adjusted EPS, FOCF, primary working capital, capital expenditures and adjusted effective tax rate for the second quarter and full year of fiscal 2024 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; the adverse effects of the COVID-19 pandemic and its impacts on our business operations, financial results and financial position and on the industries in which we operate and the global economy generally; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; Commercial Excellence growth initiatives, Operational Excellence 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.”

Sales in line with expectations; solid execution of operational excellence

Earnings per share: Reported \$0.37; Adjusted \$0.41 (vs. \$0.34 prior year)

Price and Strategic Initiatives

Offset Lower Volume

Sales of \$492M, flat year over year

- Organic growth in Metal Cutting 2% offset by Infrastructure (3)%

Regional performance mixed

- EMEA – strength driven by Aerospace & Defense, General Engineering and Transportation
- Americas – growth in Aerospace & Defense offset by Energy and General Engineering
- Asia Pacific – down due to China

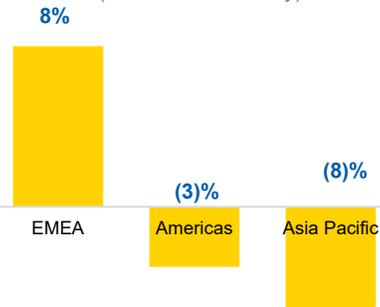
Strong growth in Aerospace and Defense

- Driven by continued focus on strategic initiatives

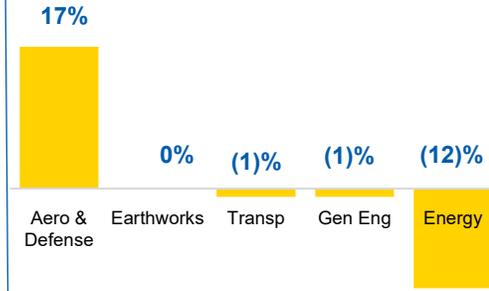
Sales Growth

0% Sales Growth
0% Organic Growth

Sales Growth by Region (in constant currency)



Sales Growth by End Market (in constant currency)



Metal Cutting Margin Improvement

- Price realization mitigates raw material, wage and general inflation
- Operational excellence productivity initiatives
- Restructuring benefits
- Foreign exchange slight tailwind

Metal Cutting adjusted margins **up 170 bps** YoY; higher price realization and operational efficiencies including restructuring savings

Infrastructure margins **decline** YoY due to lower sales volume, price/raw material timing versus prior year

Returned \$30M to Shareholders

\$14 million share repurchases and \$16 million dividends

Cash from operating activities of \$26M up from \$(11)M last year

Fiscal year end-market factors unchanged from prior outlook

General Engineering



FY Sales YoY



Flat

2H Market Factors

- U.S. S&P Global Flash Mfg. PMI improving: 47 in August to 49 in September to 50 in October
- EMEA IPI forecasted gradual improvement starting in CY24 per IHS
- China PMI approaching 50

Transportation



FY Sales YoY



Up Slightly

2H Market Factors

- Light vehicle production increasing globally in second half
- Monitoring UAW strike implications

Energy



FY Sales YoY



Flat

2H Market Factors

- US Land Based Rig count forecasted to increase slightly in second half
- Customer sentiment remains positive about second half

Earthworks



FY Sales YoY



Up Slightly

2H Market Factors

- Growth in line with typical seasonality in the second half
- Mining expected to remain at elevated levels

Aerospace & Defense



FY Sales YoY



Up Strong

2H Market Factors

- Build rates up mid-teens over first half
- Geopolitical instability continues

Maximizing productivity for Aerospace & Medical customers

Total Cost of Ownership

- **400%** longer tool life than benchmark*
- Up to **40%** higher metal removal rates in high strength steel **
- Covers wide range of applications allowing customer to:
 - Reduce inventory
 - Reduce tool change time

Innovative Technology

- Proprietary design enables longer tool life, better surface finish & accuracy
- Innovative coating extends wear resistance

Application Examples

- Aero Engines - stainless steel, high-temp alloys, titanium
- Surgical cutting guides - stainless steel

* Benchmark 6FL High performance End Mill in 304 stainless steel

** Benchmark 6FL End Mill in PH stainless steel



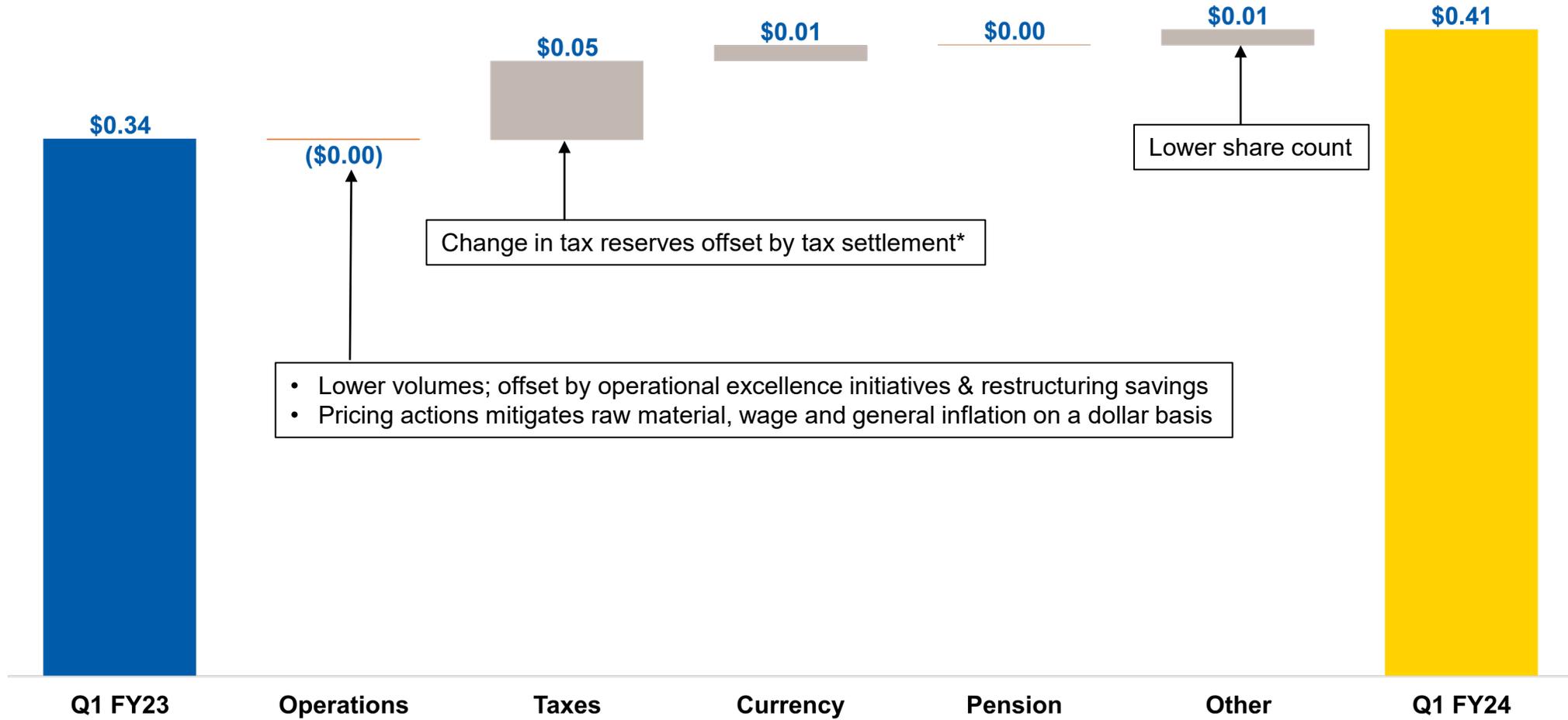
HARVI IV™ 8-Flute End Mill

Operating in a challenging macro environment

Quarter Ended (\$ in millions)	Adjusted		Reported	
	Change from PY	Sept 30, 2023	Sept 30, 2023	Sept 30, 2022*
Sales	0%	\$492	\$492	\$495
Organic		0%	0%	9%
FX		0%	0%	(7)%
Business Days		0%	0%	0%
Gross Profit	2%	\$163	\$163	\$160
% of sales	80 bps	33.1%	33.1%	32.3%
Operating Expense	4%	\$112	\$112	\$108
% of sales	80 bps	22.7%	22.7%	21.9%
EBITDA	4%	\$82	\$78	\$79
% of sales	70 bps	16.6%	15.8%	15.9%
Operating Income	0%	\$49	\$45	\$49
% of sales	10 bps	9.9%	9.2%	9.8%
Effective Tax Rate	-650 bps	21.0%	21.0%	27.5%
EPS (Earnings per Diluted Share)	21%	\$0.41	\$0.37	\$0.34

*Note: Financial results were not adjusted in Q1 FY23; therefore, adjusted numbers are not presented

Profitability improvement offset by raw material increases



- Lower volumes; offset by operational excellence initiatives & restructuring savings
- Pricing actions mitigates raw material, wage and general inflation on a dollar basis

Change in tax reserves offset by tax settlement*

Lower share count

Includes reduction of NCI as result of tax settlement*

Margin improvement of 170 BPS despite mixed market conditions

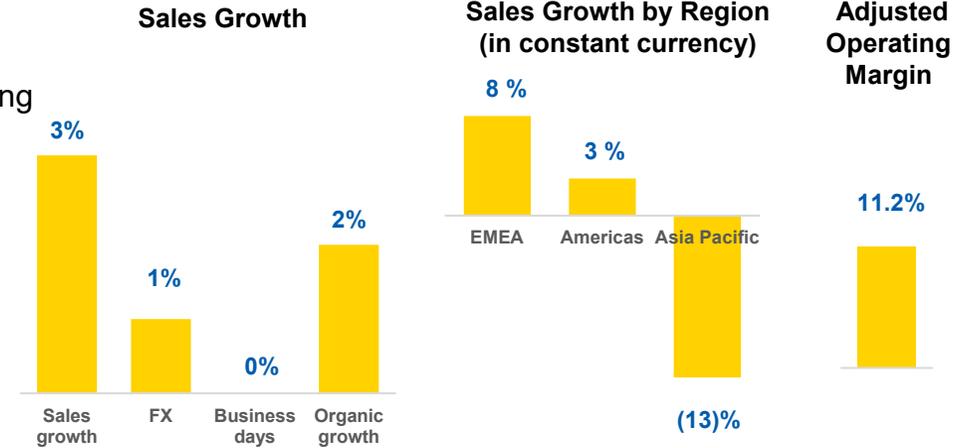
2% Organic sales growth

Sales of \$308 million

- **Growth in EMEA and the Americas**
 - EMEA strength across most end markets except for Energy
 - Americas strength driven by Aerospace and Defense and Gen Eng
 - Asia Pacific – Gen Eng and Transportation decline due to China

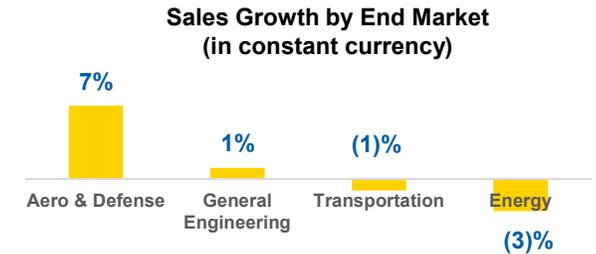
▪ **Adjusted operating margin of 11.2%**

- **170 bps** adjusted margin improvement driven by higher price realization and operational efficiencies including restructuring savings
- Macroeconomic headwinds from China
- Price mitigates raw materials, wage and general inflation



Mixed end markets

- Aerospace & Defense growth continues to benefit from market and share gain
- Gen Eng growth in EMEA and Americas offset by economic slowdown in Asia Pacific
- Transportation growth from EV wins offset by Asia Pacific lower auto build rates
- Energy declines due to slower O&G markets and delays in wind energy projects



Commercial and Operational Excellence

Positioning for growth

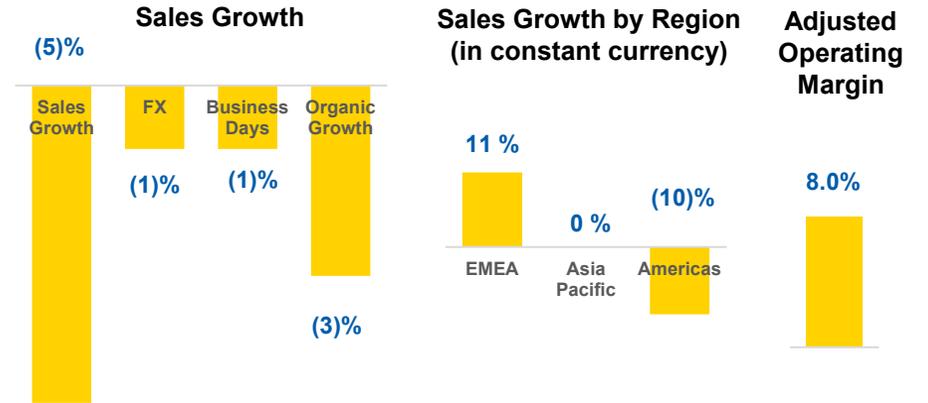
- Continued momentum on strategic initiatives to drive above market growth
- Using Lean tools to drive margin expansion
- Increasing customer service levels while optimizing inventory turns
- Extending innovative KENGold™ edge protection coating technology into new cutting tools

Sales and margin pressure due to end market conditions

Organic sales decline 3%
Sales of \$184 million

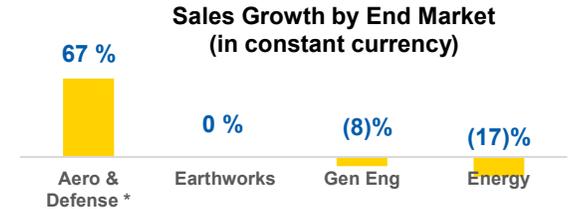
- **Regional Sales**
 - EMEA – growth driven by Aerospace and Defense
 - Asia Pacific – growth in Earthworks offset by Energy
 - Americas – decline in Energy and General Engineering

- **Adjusted operating margin of 8.0% below prior year (270) bps**
 - Lower sales volumes mainly due to Energy and General Engineering
 - Price/raw material timing versus prior year
 - Higher wages and general inflation
 - Partially offset by improved efficiencies from Operational Excellence



End market conditions softening

- Aerospace and Defense growth driven by Defense order timing
- Earthworks flat with prior year, underground mining growth offset by construction
- General Engineering decline due to softer market demand
- Energy decline due to slowdown in Oil and Gas; Average US land only rig count down 15%

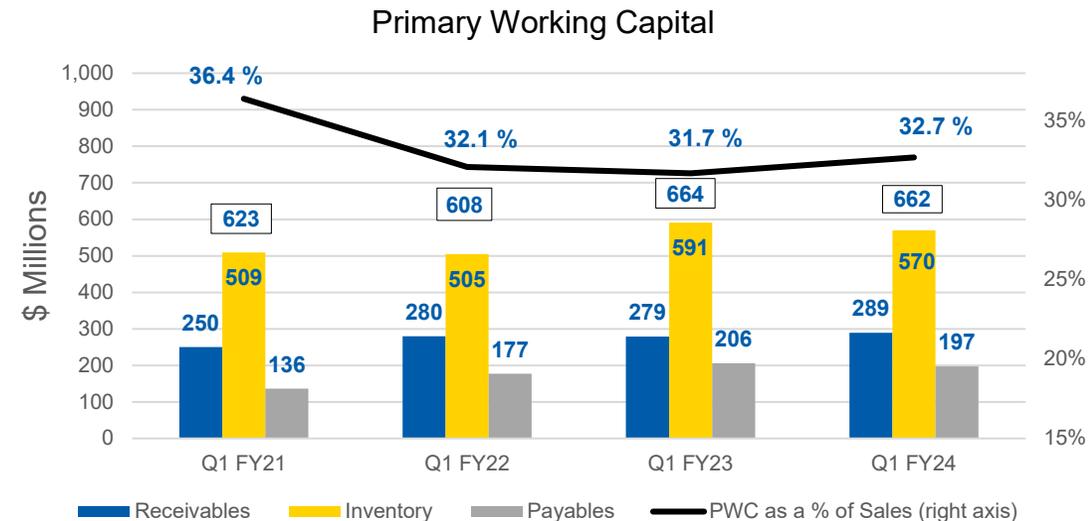
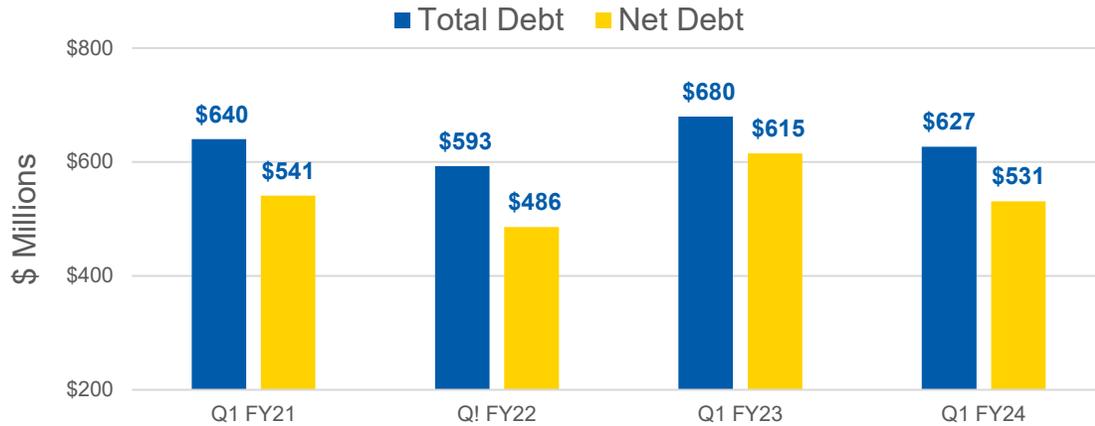


Commercial and Operational Excellence
Positioning for growth

- Driving share gain through strategic growth initiatives and underserved geographies
- Focus on inventory optimization while improving customer service levels
- Leveraging Lean to drive productivity and margin improvement
- Expanding portfolio of Additive Manufacturing solutions for oil and gas applications

* New end market reclassing sales from general engineering see Slide 17.

Strong cash flow generation from improved inventory levels



Share Repurchases & Debt Profile

- \$200M 3-year share repurchase program**
 - Q1: **\$14M** purchased; **505K** shares
 - Since inception: **\$148M** purchased; **5.2M** shares, **~7%** shares outstanding
- Debt profile**
 - Two \$300M notes mature June 2028 & March 2031
 - \$700M revolver matures June 2027
 - Covenant ratio well within limits

Consolidated Results (\$ in millions)	Q1 FY24	Q1 FY23
Net Cash from Operating Activities	\$26	\$(11)
Capital Expenditures, Net	\$(29)	\$(29)
Free Operating Cash Flow (FOCF)	\$(3)	\$(40)
Dividends	\$(16)	\$(16)

Q2 FY24 Outlook

FY24 SECOND QUARTER OUTLOOK

Sales
\$490 - \$515M

~(5)% - Flat
Volume growth

~3%
Price realization

~1%
Foreign exchange

Adjusted
EPS
\$0.20 - \$0.30

OUTLOOK CONSIDERS THE FOLLOWING ASSUMPTIONS

• Inflationary environment continues to moderate

• Year over Year sales growth reflects:

Transportation:
Slight growth

Energy:
Slight decline as destocking continues

Aerospace & Defense:
Growth continues

General Engineering:
Slight decline

Earthworks:
Modest growth

China:
Slight recovery

• Pricing to cover raw material, wage and general cost increases on a dollar basis.

Raw Material effect expected to be ~\$13M Q1 to Q2

FY24 Outlook

FY24 TOTAL YEAR OUTLOOK

Sales
\$2.1 - \$2.2B

~(2) - 3%
Volume growth

~3%
Price realization

Neutral
Foreign exchange

Interest Expense
~\$28M

Adjusted Effective Tax Rate
~24%

Adjusted EPS
\$1.75 - \$2.15

Depreciation & Amortization
~\$135M

Capital Spending
~\$100 - \$110M

Primary Working Capital (% of sales)
30 - 32%
throughout the year

Free Operating Cash Flow (FOCF)
~100%
of adjusted net income

Share Repurchase
Offset dilution
from compensation programs, at a minimum

OUTLOOK CONSIDERS THE FOLLOWING ASSUMPTIONS

- Inflationary environment continues to moderate

- Revenue Assumptions:
 - Transportation:** Moderate growth
 - Gen Engineering & Earthworks:** Flat
 - Aerospace & Defense:** Growth continues
 - Energy:** Flat
 - China:** Growth Improves

- Pricing to cover raw material, wage and general cost increases, on a dollar basis. Tungsten prices expected to be flat

- Pension income neutral (non-cash)

- Restructuring savings ~\$15M, annualized run rate of ~\$20M at end of FY24

A compelling investment opportunity

Sustainable Competitive Advantages

- Deep customer insight and application expertise in core markets
- Materials Science and engineering expertise
- Advanced product development and innovative product portfolio

Above Market Growth

- Market-leading products serving diversified and expanded TAM
- End markets benefiting from global megatrends
- Disciplined innovation increasing speed to market

Margin Expansion and Strong FOCF

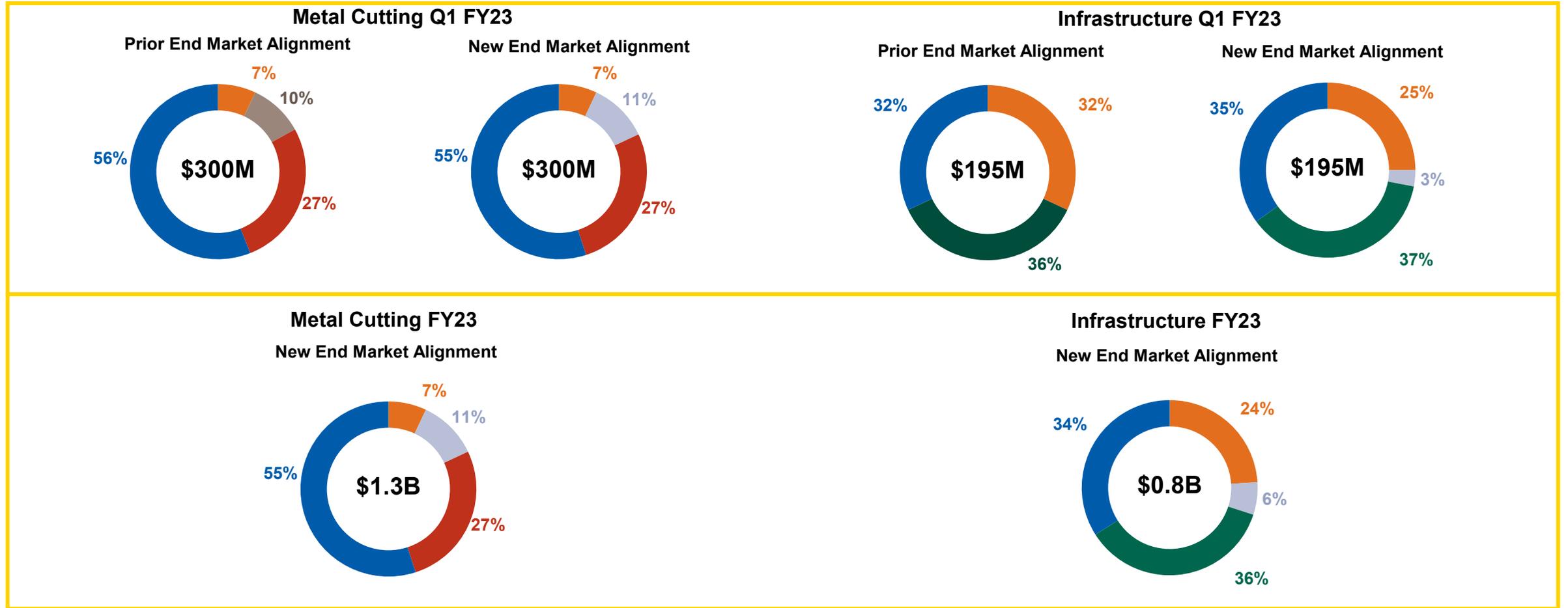
- Excellent operating leverage
- Improved productivity and working capital through volume, Operational Excellence, and Capacity Optimization 2.0

Balanced Capital Allocation

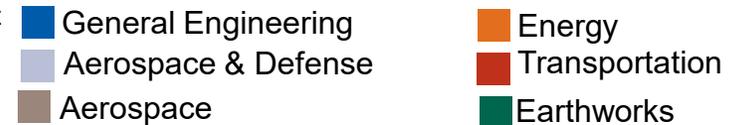
- Invest in strategic initiatives
- Return cash to shareholders via dividends and stock repurchases
- Accelerate growth through inorganic investment
- Sustain investment-grade debt rating

Appendix

End markets focused on future strategic growth initiatives

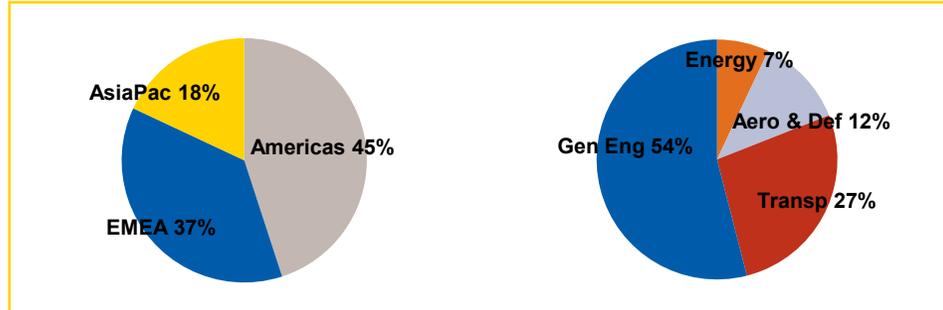


Defense sales from general engineering combined with aerospace sales for the new aerospace and defense end market
 Certain Metal Cutting sales reclassified from general engineering to the aerospace and defense end market
 Infrastructure's ceramic sales have been reclassified from energy to the general engineering end market

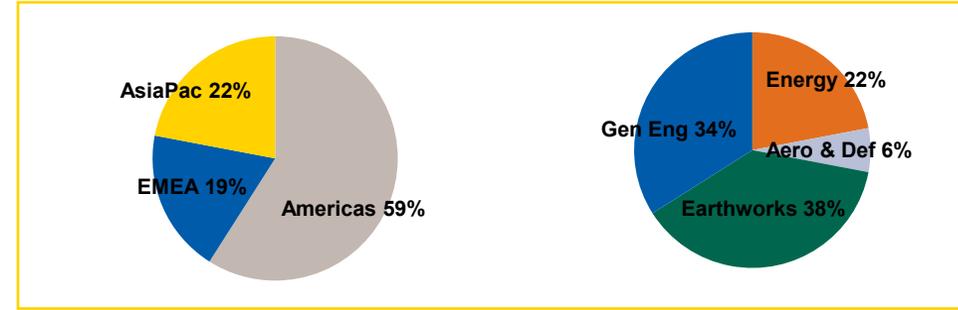


Flat year over year sales; EMEA growth offset by Asia Pacific decline

Metal Cutting



Infrastructure



Period Ending Sept 30, 2023

(\$ in millions)

	% of KMT total	Q1 FY23		
		Metal Cutting	Infrastructure	Total
Sales		\$308	\$184	\$492
Organic		2%	(3)%	0%
FX		1%	(1)%	0%
Business Days		0%	(1)%	0%
Constant Currency Regional Growth:				
Americas	50%	3%	(10)%	(3)%
EMEA	30%	8%	11%	8%
AsiaPac	20%	(13)%	0%	(8)%
Constant Currency End Market Growth:				
General Engineering	46%	1%	(8)%	(1)%
Energy	13%	(3)%	(17)%	(12)%
Transportation	17%	(1)%	N/A	(1)%
Earthworks	14%	N/A	0%	0%
Aerospace and Defense	10%	7%	67%	17%
Adjusted Operating Income		\$35	\$15	\$49
Adjusted Operating Margin		11.2%	8.0%	9.9%

Strong balance sheet fuels seasonally strong cash flow generation

ASSETS (\$ in millions)	Sept 2023	June 2023
Cash and cash equivalents	\$95	\$106
Accounts receivable, net	289	307
Inventories	570	558
Other current assets	56	56
Total current assets	1,010	1,027
Property, plant and equipment, net	958	969
Goodwill and other intangible assets, net	356	363
Other assets	188	189
Total assets	\$2,513	\$2,547
LIABILITIES (\$ in millions)		
Revolving and other lines of credit and notes payable	\$31	\$1
Accounts payable	197	203
Other current liabilities	191	230
Total current liabilities	419	434
Long-term debt	595	595
Other liabilities	199	204
Total liabilities	1,214	1,233
Kennametal Shareowners' Equity	1,260	1,275
Noncontrolling interest	38	39
Total liabilities and equity	\$2,513	\$2,547

Non-GAAP Reconciliations

The information presented by the Company contains certain non-GAAP financial measures. 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. Reconciliations to the most directly comparable GAAP financial measures for the following forward-looking non-GAAP financial measures for the second quarter and fiscal year of 2024 have not been provided, including but not limited to: FOCF, adjusted operating income, adjusted net income, adjusted EPS, adjusted ETR and primary working capital. The most comparable GAAP financial measures are net cash flow from operating activities, operating income, net income attributable to Kennametal, ETR and working capital (defined as current assets less current liabilities), respectively. Primary working capital is defined as accounts receivable, net plus inventories, net minus accounts payable. Because the non-GAAP financial measures on a forward-looking basis are subject to uncertainty and variability as they are dependent on many factors - including, but not limited to, the effect of foreign currency exchange fluctuations, impacts from potential acquisitions or divestitures, gains or losses on the potential sale of businesses or other assets, restructuring costs, asset impairment charges, gains or losses from early extinguishment of debt, the tax impact of the items above and the impact of tax law changes or other tax matters - reconciliations to the most directly comparable forward-looking GAAP financial measures are not available without unreasonable effort.

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, 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 FY24 Reported Results	\$ 492.5	\$ 162.9	\$ 111.6	\$ 45.1	\$ 30.1	\$ 0.37	21.0 %
Reported Margins		33.1 %	22.7 %	9.2 %			
Restructuring and related charges	—	—	—	3.7	3.4	0.04	9.5
Differences in projected annual tax rates	—	—	—	—	(0.4)	—	(9.5)
Q1 FY24 Adjusted Results	\$ 492.5	\$ 162.9	\$ 111.6	\$ 48.8	\$ 33.0	\$ 0.41	21.0 %
Q1 FY24 Adjusted Margins		33.1 %	22.7 %	9.9 %			

⁽⁵⁾ Attributable to Kennametal Shareholders.

Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Three Months Ended September 30,	
	2023	2022
Net income attributable to Kennametal, reported	\$ 30.1	\$ 28.2
Add back:		
Interest expense	6.6	6.6
Interest income	(0.3)	(0.2)
Provision for income taxes	8.1	11.2
Depreciation	30.5	29.5
Amortization	3.0	3.2
EBITDA	\$ 78.0	\$ 78.5
Margin	15.8 %	15.9 %
Adjustments:		
Restructuring and related charges	3.7	—
Adjusted EBITDA	\$ 81.7	\$ 78.5
Adjusted Margin	16.6 %	15.9 %

Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q1 FY24 Reported Results	\$ 308.2	\$ 32.1	\$ 184.2	\$ 13.6
Reported Operating Margin		10.4 %		7.4 %
Restructuring and related charges	—	2.5	—	1.2
Q1 FY24 Adjusted Results	\$ 308.2	\$ 34.7	\$ 184.2	\$ 14.8
Q1 FY24 Adjusted Operating Margin		11.2 %		8.0 %

Non-GAAP Reconciliations (cont'd)

Three Months Ended September 30, 2023	Metal Cutting	Infrastructure	Kennametal
Organic sales growth (decline)	2 %	(3)%	— %
Foreign currency exchange effect	1	(1)	—
Business days effect	—	(1)	—
Sales growth (decline)	3 %	(5)%	— %

Three Months Ended September 30, 2022	Metal Cutting	Infrastructure	Kennametal
Organic sales growth	9 %	10 %	9 %
Foreign currency exchange effect	(8)	(5)	(7)
Sales growth	1 %	5 %	2 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	3 %	8 %	(13)%
Foreign currency exchange effect	1	6	(3)
Regional sales growth (decline)	4 %	14 %	(16)%

Infrastructure

Three Months Ended September 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(10)%	11 %	— %
Foreign currency exchange effect	—	1	(5)
Regional sales (decline) growth	(10)%	12 %	(5)%

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Three Months Ended September 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(3)%	8 %	(8)%
Foreign currency exchange effect	—	5	(4)
Regional sales (decline) growth	(3)%	13 %	(12)%

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	13 %	5 %	6 %
Foreign currency exchange effect	(1)	(16)	(7)
Regional sales growth (decline)	12 %	(11)%	(1)%

Infrastructure

Three Months Ended September 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	13 %	— %	8 %
Foreign currency exchange effect	—	(14)	(5)
Regional sales growth (decline)	13 %	(14)%	3 %

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Three Months Ended September 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	13 %	4 %	7 %
Foreign currency exchange effect	(1)	(15)	(7)
Regional sales growth (decline)	12 %	(11)%	— %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2023	General Engineering	Transportation	Aerospace & Defense	Energy
Constant currency end market sales growth (decline)	1 %	(1) %	7 %	(3) %
Foreign currency exchange effect	2	2	2	1
End market sales growth (decline)	3 %	1 %	9 %	(2) %

Infrastructure

Three Months Ended September 30, 2023	Energy	Earthworks	General Engineering	Aerospace & Defense
Constant currency end market sales (decline) growth	(17) %	— %	(8) %	67 %
Foreign currency exchange effect	1	(3)	—	6
End market sales (decline) growth	(16) %	(3) %	(8) %	73 %

Kennametal

Three Months Ended September 30, 2023	Energy	Earthworks	General Engineering	Transportation	Aerospace & Defense
Constant currency end market sales (decline) growth	(12) %	— %	(1) %	(1) %	17 %
Foreign currency exchange effect	—	(2)	1	2	2
End market sales (decline) growth	(12) %	(2) %	— %	1 %	19 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2022	General Engineering	Transportation	Aerospace & Defense	Energy
Constant currency end market sales growth	7 %	6 %	27 %	4 %
Foreign currency exchange effect	(7)	(9)	(7)	(7)
End market sales growth (decline)	— %	(3)%	20 %	(3)%

Infrastructure

Three Months Ended September 30, 2022	Energy	Earthworks	General Engineering	Aerospace & Defense
Constant currency end market sales growth (decline)	29 %	11 %	7 %	(44)%
Foreign currency exchange effect	(2)	(5)	(5)	(4)
End market sales growth (decline)	27 %	6 %	2 %	(48)%

Kennametal

Three Months Ended September 30, 2022	Energy	Earthworks	General Engineering	Transportation	Aerospace & Defense
Constant currency end market sales growth	20 %	11 %	7 %	6 %	5 %
Foreign currency exchange effect	(4)	(5)	(7)	(9)	(6)
End market sales growth (decline)	16 %	6 %	— %	(3)%	(1)%

Non-GAAP Reconciliations (cont'd)

Net Debt (in millions)	Three Months Ended			
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Total debt (gross)	\$ 626.6	\$ 679.8	\$ 592.9	\$ 639.7
Less: cash and cash equivalents	95.1	64.6	107.3	98.3
Net debt	\$ 531.5	\$ 615.2	\$ 485.6	\$ 541.4

(in millions)	Three Months Ended September 30,	
	2023	2022
Net cash flow provided by operating activities	\$ 25.7	\$ (10.7)
Purchases of property, plant and equipment	(31.8)	(29.5)
Proceeds from disposals of property, plant and equipment	3.0	0.2
Free operating cash flow	\$ (3.0)	\$ (40.0)

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	Average
Current assets	\$ 1,010,555	\$ 1,026,789	\$ 1,079,035	\$ 1,048,303	\$ 1,011,486	
Current liabilities	419,846	433,975	488,729	494,334	497,488	
Working capital, GAAP	\$ 590,709	\$ 592,814	\$ 590,306	\$ 553,969	\$ 513,998	
Excluding items:						
Cash and cash equivalents	(95,098)	(106,021)	(93,474)	(76,784)	(64,568)	
Other current assets	(56,457)	(55,825)	(76,607)	(74,723)	(76,732)	
Total excluded current assets	(151,555)	(161,846)	(170,081)	(151,507)	(141,300)	
Adjusted current assets	859,000	864,943	908,954	896,796	870,186	
Revolving and other lines of credit and notes payable	(31,179)	(689)	(64,055)	(78,805)	(85,239)	
Other current liabilities	(191,298)	(229,945)	(227,516)	(208,807)	(206,309)	
Total excluded current liabilities	(222,477)	(230,634)	(291,571)	(287,612)	(291,548)	
Adjusted current liabilities	197,369	203,341	197,158	206,722	205,940	
Primary working capital	\$ 661,631	\$ 661,602	\$ 711,796	\$ 690,074	\$ 664,246	\$ 677,870
	Three Months Ended					
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	Total	
Sales	\$ 492,476	\$ 550,234	\$ 536,036	\$ 497,121	\$ 2,075,867	
Primary working capital as a percentage of sales						32.7 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	Average
Current assets	\$ 1,011,486	\$ 1,024,708	\$ 1,043,241	\$ 984,201	\$ 966,948	
Current liabilities	497,488	485,610	460,365	410,983	389,223	
Working capital, GAAP	\$ 513,998	\$ 539,098	\$ 582,876	\$ 573,218	\$ 577,725	
Excluding items:						
Cash and cash equivalents	(64,568)	(85,586)	(99,982)	(101,799)	(107,316)	
Other current assets	(76,732)	(72,940)	(69,582)	(76,794)	(74,906)	
Total excluded current assets	(141,300)	(158,526)	(169,564)	(178,593)	(182,222)	
Adjusted current assets	870,186	866,182	873,677	805,608	784,726	
Revolving and other lines of credit and notes payable	(85,239)	(21,186)	(28,736)	(12,228)	(368)	
Other current liabilities	(206,309)	(236,537)	(233,942)	(212,898)	(211,778)	
Total excluded current liabilities	(291,548)	(257,723)	(262,678)	(225,126)	(212,146)	
Adjusted current liabilities	205,940	227,887	197,687	185,857	177,077	
Primary working capital	\$ 664,246	\$ 638,295	\$ 675,990	\$ 619,751	\$ 607,649	\$ 641,186
	Three Months Ended					
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	Total	
Sales	\$ 494,792	\$ 530,016	\$ 512,259	\$ 486,673	\$ 2,023,740	
Primary working capital as a percentage of sales						31.7 %

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	(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 %