Transforming How Everyday Life is Built

Kennametal Investor Day 2023
September 8, 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 full years of fiscal 2024 through 2027 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.”
Today’s Agenda

09:30 » OPENING STATEMENTS
09:35 » KENNAMETAL’S STRATEGY
Christopher Rossi, President & CEO
10:00 » GROWTH WITHIN METAL CUTTING
Sanjay Chowbey, VP & President, Metal Cutting
10:20 » GROWTH WITHIN INFRASTRUCTURE
Franklin Cardenas, VP & President, Infrastructure
10:40 » BREAK AND INNOVATION SHOWCASE
10:55 » TECHNOLOGY & INNOVATION ADVANTAGE
Dr. Carlonda Reilly, VP & CTO
11:15 » FINANCIAL STRATEGY & TARGETS
Patrick Watson, VP & CFO
11:35 » Q&A
12:25 » CLOSING STATEMENTS
Strategic Overview

Christopher Rossi
President & CEO
Unrivaled expertise in tool and wear-resistant solutions across diversified end markets

Leading supplier to industries with a diverse and global sales network across Metal Cutting and Infrastructure segments
Complementary segments enhance competitive advantages

**METAL CUTTING**
Solutions to run longer, cut faster and machine with greater precision

- **$1.27B** Annual Sales*
- 55%
- 27%
- 11%
- 7%

**INFRASTRUCTURE**
Technology-led business delivering wear and earth cutting solutions

- **$0.81B** Annual Sales*
- 36%
- 34%
- 24%
- 6%

Leveraging enterprise synergies in Materials Science, application engineering and technology

Source: *FY23 Actual
Simplification/Modernization initiatives enable accelerated growth

**Simplification**
- Streamline structure to enable culture of accountability
- Improve sales effectiveness and ROI
- Reduce product complexity; SKUs, coatings and powders

**Modernization**
- Invest in latest production and automation technology
- Capacity Optimization 1.0
- Improve customer service and quality
- Enable new product innovations

**ACCELERATION**

- Strengthening strategic pillars
- Culture of accountability and continuous improvement
- Gaining share across end markets

- Expanding into underserved markets
- Capacity Optimization 2.0 strengthening production
- Operational Excellence improving efficiency

SIMPLIFICATION/MODERNIZATION: KEY ENABLER TO LONG-TERM SUCCESS
Strategic pillars enable our enterprise strategy

**Innovation Advantage**
- Materials expertise drives development of profitable, in-demand solutions
- Manufacturing capabilities enabling higher value-added innovations

**Commercial Excellence**
- Greater accountability to drive profitable growth, share gain
- More consistent quality and improved customer service

**Operational Excellence**
- Lean manufacturing, Smart Factories and capacity optimization to drive performance
- Advanced process technologies to enable new product innovations

Simplification / Modernization in Action

- ~$200M in structural cost savings
- ~20% reduction in global workforce
- 6 fewer plants from Capacity Optimization 1.0

Combination of Industrial and Widia to drive efficiency and market penetration
SIMPLIFICATION/MODERNIZATION: KEY ENABLER TO LONG-TERM SUCCESS

Simplification/Modernization accelerates Operational Excellence initiatives

**Operational Excellence**
- Customer service improvements
- Process optimization
- Automation & technology
- Headcount efficiency

**Results at Orwell Factory**
- More consistent quality and delivery performance
- More efficient operation
- New proprietary and differentiated product features enabled
- Scalable and efficient production

**Further Efficiency Ahead**
- Utilize Smart Factory capable equipment to drive usage of real-time data for additional improved performance

**Modernization in Action:**
**KENGold™**
Enabled production of KENGold, a new product in growth portfolio with strong customer demand
LONG-TERM GROWTH BUILT ON STRATEGIC PILLARS

Strategic pillars foundational to driving sustainable competitive advantages

**Innovation Advantage**
- Leveraging metallurgy and Materials Science expertise
- Application engineering and problem solving
- Driving customer-aligned innovation that delivers superior performance

**Commercial Excellence**
- Improving sales effectiveness and ROI
- Driving share gain
- Expansion into underserved markets

**Operational Excellence**
- Continuous improvement to drive efficiency
- Leverage state-of-the-art processes
- Optimize capacity

**Sustainable Competitive Advantages**
- Deep customer insight and application expertise in core markets
- Materials Science and engineering expertise
- Advanced product development and innovative product portfolio
ACCELERATING GROWTH

Accelerating Growth: The next chapter of our evolution

- Capitalizing on global megatrends
- Targeted expansion in underserved markets
- Strengthening our strategic pillars
- Capacity Optimization 2.0 & Operational Excellence

$100M in savings
Capitalizing on global megatrends

- **Post COVID economic recovery**
  -仍待恢复

- **Growing global middle class**
  -全球中产阶级
  -支出和消费商品及服务

- **Increasing demand for energy**
  -能源需求
  -可再生和传统来源

- **Geopolitical instability**
  -地缘政治不稳定性
  -安全和重新定位优先

- **Evolving workforce**
  -劳动力演变
  -技术扶持和电子商务

- **Government infrastructure investment**
  -政府基础设施投资
  -施工增长

End Markets Affected

- General Engineering
- Aerospace & Defense
- Energy
- Transportation
- Earthworks
Attractive TAM opportunity

SERVING ATTRACTIVE END MARKETS

- Aerospace & Defense
- Energy
- Earthworks
- General Engineering
- Transportation

$22B Total Addressable Market (TAM)

Expanded Focus Areas

Historical Focus Areas

Diversified geographic and end market exposure mitigates risk

Expanding into other applications, customer segments, and regions opens new revenue streams

Winning larger share of TAM and industry megatrends drives higher highs and higher lows
Expanded focus areas to drive growth above market

**Expanded Focus Areas**

- Medical
- Job Shops
- Ceramics
- Airframes
- Ceramics
- US DOD
- Components
- Clean Energy
- Finished Components
- Ceramics
- Oil & Gas
- Surface Mining
- Mineral Processing
- Hybrid & Electric Vehicles

**End Markets**

- General Engineering
- Aerospace & Defense
- Energy
- Earthworks
- Transportation
Metal Cutting Aerospace & Defense: Demonstrated model for future growth

**ACCELERATING GROWTH**

**OPERATING FROM A POSITION OF STRENGTH**

**Aerospace & Defense growth has outpaced the market**

- **~34%** OEM build rate growth$^3$
- **~44%** KMT growth$^3$

**HARVI™ solid carbide end mills selected for**

**Lockheed Martin Enterprise Machining Guide**

- **35% sales growth** per plane with major global OEM (FY21-FY23)$^3$

- **KMT is delivering customer excellence**

**RECOVERING MACRO ENVIRONMENT**

- Long-term market fundamentals are soaring with elevated order backlogs from OEMs$^1$
  - 7,959 Airbus
  - 5,588 Boeing

- Aircraft build rates have not returned to pre-pandemic levels$^2$
  - Expected return in 2026

(1, 2) Boeing and Airbus’s respective websites. July 2023.

(3) FY21-FY23 OEM build rates, KMT internal calculation based on OEM data.
Strong growth strategy underpinned by strategic pillars

1. INNOVATION ADVANTAGE

2. COMMERCIAL EXCELLENCE
  - Expanding leadership positions in existing markets
  - Capitalizing on global megatrends

3. OPERATIONAL EXCELLENCE
  - Targeting expanded focus areas

Bolt-on acquisitions

ATTRACTIVE ORGANIC GROWTH

SUPPLEMENTED BY OPPORTUNISTIC INORGANIC GROWTH
Positioned to deliver growth, profitability, and strong returns through FY27

- **Organic Sales**: 4 – 6% CAGR¹
- **Adjusted EBITDA Margin**: 20 – 23% Target¹
- **Adjusted EPS**: 20 – 25% CAGR¹
- **FOCF as % of Adj. Net Income**: >100% Target¹
- **Adjusted ROIC**: 12 – 14% Target¹

1% – 2% Market Growth + 1% – 2% Market Share Gain + ~2% Price

(1) Medium-term targets represent growth from FY23 through FY27 excluding M&A activity
Focused approach to ESG, aligned with core values

**THE KENNAMETAL WAY**

- ✓ Safety
- ✓ Accountability
- ✓ Respect
- ✓ Integrity

**SIMPPLIFICATION/MODERNIZATION IN ACTION**
Sustainable Resource Allocation

- **Environmental**
  - Reduce resource consumption
  - Eliminate environmental risk
  - Develop consistent environmental practices

- **Social**
  - Commit to diversity and inclusion
  - Secure world class talent
  - Support philanthropic goals

- **Governance**
  - Ensure accountability
  - Maintain ethical business practices

**Visit our website for just-released FY23 ESG Report**

**12.9%**
decrease in Scope 1 and 2 emissions intensity in 2022

**10.4%**
decrease in water intensity in 2022

**4.1%**
decrease in energy intensity in 2022
TRANSFORMING HOW EVERYDAY LIFE IS BUILT

World class management team drawing on over 200 years of combined industry experience

Christopher Rossi
President & CEO
Joined KMT: 2017

Franklin Cardenas
VP & President, Infrastructure
Joined KMT: 2020

Sanjay Chowbey
VP & President, Metal Cutting
Joined KMT: 2021

Dr. Carlonda Reilly
VP & CTO
Joined KMT: 2018

Patrick Watson
VP & CFO
Joined KMT: 2004

Michael Pici
VP, Investor Relations
Joined KMT: 2023

Michelle Keating
VP, Secretary & General Counsel
Joined KMT: 2010

John Witt
VP & Corporate Controller
Joined KMT: 2018

Judith Bacchus
VP & CAO
Joined KMT: 2006

SPEAKERS
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
Metal Cutting

Sanjay Chowbey
Vice President & President of Metal Cutting
Solutions to run longer, cut faster, and machine with greater precision

~$1.27B Annual sales
~85 countries served
40,000+ customers

55% General Engineering
27% Transportation
11% Aerospace & Defense
7% Energy

General Engineering
EV
Aerospace
Wind
Medical
ICE
Defense
Oil & Gas
Leveraging our strategic pillars to outperform

**Innovation Advantage**
- Robust new product development pipeline supports high-growth opportunities
- Advanced manufacturing capabilities enable high-value added products

**Commercial Excellence**
- Resource allocation to maximize returns
- Driving culture of accountability and continuous improvement via The Kennametal Way
- Expanding new customer base by leveraging strong brands and application support

**Operational Excellence**
- Improving customer service levels
- Expanding expertise in Lean, S&OP and Smart Factory analytics
- Driving productivity gains

- >25% of annual sales from custom solutions and new products
- 33% Aero and EV growth in FY23 driven by new customers
- >15% improvement in inventory turns over past 2 years
Proven leadership position in Metal Cutting

Since 2022, Metal Cutting growth has outperformed select peers and key market growth

1. Group represents quarterly results of publicly traded companies, Sandvik and OSG Group, aligned to Kennametal reporting periods.
2. Management estimates based off USCTI and AMT, USA trade groups.
3. Management estimates based off German MC trade group.
5. UCIMU, Italian MC trade group, FY23 management estimate.
Participate in attractive total addressable market with incremental expansion opportunities

**Positive market & megatrends**
- Post COVID economic recovery
- Growing global middle class
- Increasing demand for energy
- Evolving workforce

**Opportunity in historical TAM**
- Base business share-of-wallet gains

**Opportunity in expanded TAM**
- Aerospace & Defense assemblies
- Electric vehicles
- Medical
- Small job shops

**Attractive TAM**
$14B
Targeting growth outpacing our markets

Combination of current leading position, megatrends and new growth opportunities drives market share expansion

**Market Trends**
(Market CAGR 2023 – 2027)

- **Aerospace & Defense**
  - 7 - 9%
- **Energy**
  - 2 - 3%
- **General Engineering**
  - 1 - 3%
- **Transportation**
  - Flat - 1%

**Accelerating Share Capture Through Strategic Pillars**

- **Innovation Advantage**
  - Materials Science expertise and product roadmap
- **Commercial Excellence**
  - Protect existing position and drive share-of-wallet
- **Operational Excellence**
  - Enable productivity and improved customer service

**Metal Cutting Growth Target**

- 5 - 7%
- FY23 – FY27
Attractively positioned to capitalize on positive underlying market trends

**WELL POSITIONED FOR LONG-TERM GROWTH**

**POSITIVE MEGATRENDS**

- *Post COVID economic recovery still ahead*
- *Growing global middle class driving spending and consumption of goods and services*
- *Increasing demand for energy both renewable and traditional*
- *Evolving workforce creating greater need for technical support and eCommerce solutions*

**KENNAMETAL WELL POSITIONED TO CAPTURE OPPORTUNITY**

- **Core-business weighted favorably** to sectors with pent-up demand
- **Delivering proven solutions** through expertise in Materials Science, technology & Additive Manufacturing
- **Leadership position in clean energy** driven by innovative solutions and customer collaboration
- **Full-service solutions leveraging technical support ecosystem** and expanded digital offerings
With targeted opportunities in historical and expanded TAM

**Aerospace & Defense**
Building on position of strength in engines, expanding into airframes and other components

**Transportation**

**Airframe and Components**
New projects at legacy and emerging OEMs and suppliers

**Medical**
Targeted expansion into growing medical device application space

**General Engineering**

**Job Shops**
Extending reach to small and medium-sized job shops through digital tools
Aerospace & Defense: Operating from a position of strength

**THE OPPORTUNITY**

Building on position of strength in engines, expanding into airframes and other components

$1.5B TAM

7-9% Market CAGR¹ (2023 – 2027)

Share Gain Opportunity

**HOW WE WIN**

**Innovation Advantage**

Technical collaboration to find innovative solutions

Leadership in **SuperAlloys** and **Titanium**

Global presence

**Commercial Excellence**

Expand current and **build** new customer relationships

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Kennametal is helping us solve unique challenges to meet demand more efficiently. They have been a valuable supplier to P&W as we deliver on our company’s long-term strategy through their collaboration and expertise in the Aerospace machining, tooling and application space.

**Clint Williams**, Director, Cold Section Operational Excellence (OpX), Pratt & Whitney

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(1) Market size and growth, Dedalus Nov 2022.
Aerospace & Defense: Expanding leadership position

DEMONSTRATED SUCCESS FOR KENNAMETAL

Market Share Expansion
35% sales growth per plane with major global OEM

Accelerating Sales Growth
>30% growth in opportunity funnel over past two years

New Customer Acquisition
Expanded new customer accounts by 10%

DEMONSTRATED SUCCESS FOR OUR CUSTOMERS

For many years Kennametal has been a valued and trusted partner, providing HDI with technical and business support that is critical to our manufacturing operations. They work directly with us to develop innovative solutions to complex challenges, and the team is highly responsive to our needs.

Fred Gagne, HDI Plant Manager

(1) Growth rates reflect FY21-FY23
(2) Customer account expansion reflects FY22-FY23
Transportation Market: Evolution drives mix shift and growth opportunity

Well positioned to serve as a strategic partner to entire EV supply chain

<table>
<thead>
<tr>
<th>Tooling Aircraft</th>
<th>FY23</th>
<th>FY27</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles (M)</td>
<td>Tooling Demand</td>
<td>Vehicles (M)</td>
<td>Tooling Demand</td>
</tr>
<tr>
<td>ICE</td>
<td>1.00</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>HEV</td>
<td>1.10</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>BEV</td>
<td>0.55</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>83</td>
<td>93</td>
</tr>
</tbody>
</table>

Slower adoption of BEV vs HEV leads to increased tooling demand

Serving HEV & BEV Applications

Transmission Components & Motor Housing

Battery Housing

Braking & Suspension Components

(1) IHS June 2023 data. Includes Light Vehicle (LV) Production, Internal Combustion Engine (ICE), Hybrid Electric Vehicle (HEV), Battery Electric Vehicle (BEV). KMT internal calculations. (2) Cutting tool market composite combines ICE, BEV, and HEV into an all-tooling equivalency market view.
Transportation Market: Well positioned to capture higher market share with shifting mix

**THE OPPORTUNITY**

- New HEV and BEV projects at legacy and emerging OEMs
- $3.7B TAM
- Flat – 1% Market CAGR (2023 – 2027)
- U.S. EV Road Show kicks off in FY24 to reach customers with latest Kennametal products & solutions
- Share Gain Opportunity

**HOW WE WIN**

**Innovation Advantage**

- EV leadership and technical expertise
- Proprietary Additive Manufacturing required for complex geometries

**Commercial Excellence**

- Global account management; connected to traditional and new players
- Concerted global marketing and demand generation

**BUILDING A POSITION OF STRENGTH**

**Accelerating Sales Growth**

- 3x growth new project wins YOY

**Global Scale, Regional Agility**

- Project wins broad-based, globally distributed

**Capturing White Space Opportunity**

- 3x growth in opportunity funnel YOY
WELL POSITIONED FOR LONG-TERM GROWTH

Medical: Leveraging expertise into new markets and applications

THE OPPORTUNITY
Expanding into growing medical device application space

$1.4B TAM
4 - 6% Market CAGR (2023 – 2027)
Share Gain Opportunity

DRIVING IMPROVED CUSTOMER OUTCOMES
• Improved surface finishes and chip control
• Significantly increasing life of tools and increasing process reliability

HOW WE WIN

Innovation Advantage
Leveraging our core competencies: end mills, turning and threading
Dedicated technology roadmap to fill product portfolio
Leverage Additive Manufacturing to rapidly prototype and meet customer’s needs

Commercial Excellence
Invest in go-to-market to expand relationships and technical support
Leverage US team’s expertise globally

Materials Science Expertise
Material similarities with Aerospace

Targeted Opportunities
OEMs and 2nd Tier Suppliers

Inorganic Growth Opportunities
Building capabilities and market reach

Growth in General Engineering
WELL POSITIONED FOR LONG-TERM GROWTH

Expanding customer reach through Commercial Excellence and Digital Customer Experience

THE OPPORTUNITY:
SMALL & MEDIUM GENERAL ENGINEERING SHOPS

Well positioned to expand share in General Engineering market through underserved customers

- Small job shops ~50% of the General Engineering market

- Lower relative share with small job shops presents growth opportunity

$3.1B
TAM

1 - 3%
Market CAGR
(2023 – 2027)

Share Gain
Opportunity

Digital experience brings customers and KMT experts together driving:

Innovation Advantage
Improving content and engagement to enhance customer experience

Customer-led innovation and new product development

Commercial Excellence
Widia growth driven by expansion of multi-branded distribution

Improving support for smaller customers

Granular customer targeting and segmentation

Channel expansion increasing customer access

The technical support we get from Kennametal is tremendous, and you are one of the few companies to offer it. Your broad product offering is also important—it’s great to have a company we can rely on as a one stop shop.

Kenny Elmore, Director Sales for Max Tools, Distributor in Southeast U.S. serving job shops

“...
Kenametal advantage allows us to tailor solutions to address customer needs

### FOCUSED CUSTOMERS AND MARKET OPPORTUNITIES

<table>
<thead>
<tr>
<th>Aerospace &amp; Defense</th>
<th>Transportation</th>
<th>Medical</th>
<th>General Engineering</th>
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</thead>
<tbody>
<tr>
<td>Weighted favorably with pent-up demand</td>
<td>Rapid shift to hybrid and electric vehicles</td>
<td>Growing medical device application space</td>
<td>Underserved small to medium-size customers</td>
</tr>
</tbody>
</table>

### KENNAMETAL SUSTAINABLE COMPETITIVE ADVANTAGES

- Strong and trusted brands
- Deep customer insights and application expertise
- Materials Science and engineering expertise
- Advanced product development and innovative product portfolio
- Application support and product availability
Targeted opportunities driving organic sales growth

Sales

**Market and Price Initiatives**
- Positive market and megatrends
- Comprehensive product portfolio
- Price for value

**Share Gain Initiatives**
- Gain share in traditional end markets
- Penetrate new and underserved markets
- Innovation Advantage driving growth

FY23: $1.27B

FY27 E: 5 - 7% CAGR
Metal Cutting: Well positioned to create value for shareholders

- **Market-leading proven solutions** available globally in growing end markets
- **Growth initiatives** capitalizing on global megatrends and expanded TAM
- **Strong customer relationships** and **Commercial Excellence knowhow** to drive targeted growth initiatives
- Initiatives driving **margin expansion** and **strong FOCF**
- **Inorganic opportunities** to accelerate growth

Above Market Growth
Infrastructure

Franklin Cardenas
Vice President & President, Infrastructure
Innovative solutions to address wear and earth-cutting customer challenges in diversified end markets

- **36% Earthworks**
  - Mining
  - Construction

- **34% General Engineering**
  - Tool Manufacturing
  - Ceramics

- **24% Energy**
  - Oil & Gas
  - Process Industries

- **6% Aerospace & Defense**
  - Aerospace
  - Defense

$0.81B Annual sales
~85 countries served
10,000+ customers
Strategic pillars enable our infrastructure strategy

80 years of proven innovation in wear and earth-cutting solutions

**Innovation Advantage**
- Product and process innovation to meet evolving customer demands
- Proprietary powder formulation improves component performance
- Solutions to meet customers most challenging demands

**Commercial Excellence**
- Improving sales effectiveness
- Account management process focused on gaining share-of-wallet
- Expand coverage to underserved regions and markets

**Operational Excellence**
- The Kennametal Way
- Safer, more efficient operations
- Targeted inventory reductions to improve working capital

- ~30% of annual sales from customized solutions and new products
- 45,000+ additional customer touch points in last 12 months
- ~10% improvement in inventory turns over the past 12 months
Attractive total addressable market with expansion opportunities

Positive market & megatrends
- Government infrastructure investment
- Increasing demand for energy
- Growing global middle class
- Geopolitical instability

Opportunity in historical TAM
- Drive sales effectiveness
- Base business share-of-wallet gains

Opportunity in expanded TAM
- Defense
- Ceramics
- Mining
- Oil & Gas

Attractive TAM
- ~$8B

Expanded Focus Areas

Historical Focus Areas
Well positioned to win in large and growing end markets

Combination of current leading position, megatrends and new growth opportunities drives market share expansion

**Market Trends**
(Market CAGR 2023 – 2027)

- **Aerospace & Defense** 2 - 3%
- **Earthworks** 1 - 2%
- **Energy** 2 - 3%
- **General Engineering** 1 - 2%

**Accelerating Share Capture with Strategic Pillars**

- **Innovation Advantage**
  Materials Science expertise and product roadmap
- **Commercial Excellence**
  Protect existing position and drive share-of-wallet
  Expand coverage to underserved regions and markets
- **Operational Excellence**
  Enable productivity and improved customer service

**Infrastructure Growth Target**
3 - 5%
FY23 – FY27
Primed to capitalize on positive market trends

POSITIVE MARKET AND MEGATRENDS

Government Infrastructure Investment driving construction growth

Increasing Demand for Energy from both renewable and traditional sources

Growing Global Middle Class driving spending and consumption of goods and services

Geopolitical Instability creating environment where security and reshoring are prioritized

KENNAMETAL WELL POSITIONED TO CAPTURE OPPORTUNITY

Our tools are critical to building and maintaining roads, bridges, runways and railways

Our products improve productivity, decrease energy consumption and use recycled materials

Global footprint enables us to deliver proven solutions and technical support to underserved markets

Leveraging Materials Science expertise to meet customer demand and specification requirements
Leveraging excellence in strategic pillars to gain share in growing end markets

**Aerospace & Defense**
- **Defense**: Building on strong position in EMEA to expand our presence in US Defense market

**General Engineering**
- **Ceramics**: Expanding beyond core evaporator boat business and accelerate diversification in components

**Earthworks**
- **Mining**: Growing with differentiated solutions in surface mining and mineral processing

**Energy**
- **Oil and Gas**: Expanding share through customer relationships and differentiated solutions
Defense: Delivering high-performing solutions to support the US Department of Defense and its allies

**THE OPPORTUNITY**
Grow defense munitions business beyond Europe and expand into adjacent markets

- **$0.9B TAM**
- **2 – 3%** Market CAGR (2023 – 2027)
- **Share Gain Opportunity**

**RELIABLE PARTNER MEETING OEM NEEDS**
- World class component performance driven by Materials Science expertise
- Industry authority for next generation products

**HOW WE WIN**

**Innovation Advantage**
Leverage vertically-integrated supply chain
Partner with customers in early-stage product development

**Commercial Excellence**
Strengthening position as strategic partner
Building relationships with Defense agencies

**OEM approvals**
Achieved approved supplier list status for top US Defense ammo OEMs

**60%+**
Order intake increase in last 12 months

**DEMONSTRATED SUCCESS**
Growth in Aerospace & Defense

**3**

**$0.9B TAM**

**2 – 3%** Market CAGR (2023 – 2027)

**Share Gain Opportunity**

**Reliable Partner Meeting OEM Needs**
- World class component performance driven by Materials Science expertise
- Industry authority for next generation products

**How We Win**

**Innovation Advantage**
Leverage vertically-integrated supply chain
Partner with customers in early-stage product development

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Order intake increase in last 12 months
WELL POSITIONED FOR LONG-TERM GROWTH

Ceramics: Expand beyond core business and accelerate diversification

Leading market share in evaporator boats used in process to foil coat food packaging material

THE OPPORTUNITY
Expand beyond core boat business and accelerate diversification in components

$0.3B
TAM

2 – 4%
Market CAGR (2023 – 2027)

Share Gain Opportunity

PROVEN LEADER IN EVAPORATOR BOAT SOLUTIONS

• Maximizing process performance, while reducing energy consumption
• Customized solutions reducing operator dependency

HOW WE WIN

Innovation Advantage
Leverage core Materials Science knowhow
Partner with OEMs on new component product development

Commercial Excellence
Global customer reach with local sales and technical support
Maintain leading levels of product availability
Build upon strong customer relationships and application engineering expertise

High Margin
non-cyclical business

+29%
CAGR for non-boat business over the past 2 years

LEVERAGING A POSITION OF STRENGTH
Mining: Strong foundation & proven solutions enable growth in underserved markets

**THE OPPORTUNITY**
Expanding with differentiated solutions in minerals, surface mining and mineral processing

$0.9B TAM
1 – 2% Market CAGR (2023 – 2027)
Share Gain Opportunity

**WEAR PROTECTION SOLUTIONS IN EXTREME MINING CONDITIONS**
- KenCast™ wear protection installed in critical wear areas of excavator bucket
- Provided customer over 8,000 hours of continuous use
- More than 5X life extension of critical equipment

**HOW WE WIN**

**Innovation Advantage**
Leverage and expand extensive portfolio of proven solutions

Expand field application support

**Commercial Excellence**
Expand sales and distribution coverage in underserved markets

Strengthen OEM relationships

Scott Bahr
President and CEO
Bit Service Cutting tool supplier for mining industry

Kennametal stands out from the competition for its support and diverse portfolio of tools, components and wear resistant products. This allows us to offer our customer the most diverse selection and support possible... and to grow into new markets.

Differentiated Market
Leading Products
Surface mining tool provides 2x life for share growth in Chile
Oil & Gas: Engineering solutions to support energy innovation

THE OPPORTUNITY
Expanding share through customer relationships and differentiated solutions

$0.3B
TAM

2 – 3%
Market CAGR (2023 – 2027)

Share Gain Opportunity

IMPROVING OIL PRODUCTION AND WELL PRODUCTIVITY

• Carbide inflow control devices have superior reliability
• Last the lifetime of the oil well, eliminating downtime for replacements

HOW WE WIN

Innovation Advantage
Continue innovating high-value solutions for our customers

Technical expertise and Additive Manufacturing to bring complex products to life

Commercial Excellence
Build on our reputation as a trusted partner

Leverage customer relationships to expand into underserved markets

The Additive Manufacturing process and the right material, like Kennametal’s Stellite 6, enables considerably greater design flexibility than traditional manufacturing. This allows us to tackle severe service, high pressure drop and high wear applications.

Anirudh Rajaseshan
Program Manager, IMI Critical
Global leader in flow solutions

Established joint development & innovation agreements with 3 of the top oil field service companies

Growth in Energy
Delivering tailored solutions to address customer’s wear and earth-cutting challenges

**FOCUSED CUSTOMER AND MARKET OPPORTUNITIES**

<table>
<thead>
<tr>
<th>Small End User</th>
<th>Distributor</th>
<th>OEM</th>
<th>Larger End User</th>
<th>Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I want information and help to select a part I need right now.”</td>
<td>“My customers want trusted brands, and I want bigger sales margins.”</td>
<td>“We need a reliable supplier with high quality and product support.”</td>
<td>“Our company needs a solutions provider who understands our business.”</td>
<td>“We need superior performing products and rigorous regulatory compliance.”</td>
</tr>
</tbody>
</table>

**KENNAMETAL SUSTAINABLE COMPETITIVE ADVANTAGES**

- Strong trusted brands
- Deep customer insights and application expertise
- Materials Science and engineering expertise
- Advanced product development and innovative product portfolio
- Application support and product availability
Targeted opportunities delivering organic sales and market share growth

Sales

Market and Price Initiatives

- Positive market and megatrends
- Comprehensive product portfolio
- Price for value

Share Gain Initiatives

- Gain share in traditional end markets
- Penetrate new and underserved markets regions and markets
- Innovation Advantage driving growth

$808M
FY23

3 - 5% CAGR
FY27 E
Infrastructure: Well positioned to create value for shareholders

- **Market-leading proven solutions** available globally in growing end markets
- **Growth initiatives** capitalizing on global megatrends and expanded TAM
- **Strong customer relationships** and **Commercial Excellence knowhow** to drive targeted growth initiatives
- Initiatives driving **margin expansion** and **strong FOCF**
- **Inorganic opportunities** to accelerate growth
15 Minute Break
Technology & Innovation Advantage

Dr. Carlonda Reilly
Vice President & CTO
World-class technology capabilities power innovation engine

DIFFERENTIATING CAPABILITIES LEVERAGED ACROSS THE SEGMENTS

**Materials Science**
- Tungsten Carbide, Metal Alloys and Ceramics

**Additive Manufacturing**
- Unique, powder production, flexible design, post print processing

**Product Engineering**
- Applied math and science

**Smart Factory**
- Process and automation technology

>500 Global Scientists and Engineers

3 Global R&D Centers

22 Engineering Hubs

1,800+ Active Patents

~20 New Products Annually
Innovation differentiators enable growth and margin expansion

Expertise carries across both segments with specialists focused by business and products

- Customer-led Innovation: Facilitates innovation impact and speed to market
- Differentiated and Market-Leading Product Portfolio: Delivers increased performance and more profitable products
- Leveraging Technology Across Segments: Ceramics and Additive Manufacturing capabilities leveraged to address market trends
- Extending Technology Reach: Utilizing Digital Customer Experience (DCX) to extend technical expertise and solutions
Innovation differentiators enable further enhancement of strategic pillars

**Innovation Advantage**
- Differentiated market leading products
  - Driving share gains
- Leading application and Additive Manufacturing capabilities
  - Enable differentiated solutions

**Commercial Excellence**
- Customer-led innovation
  - Fuels collaboration and insights
- Extends technology reach
  - Digital Customer Experience (DCX)

**Operational Excellence**
- Disciplined innovation
  - Increases speed to market and drives growth
- Build employee ownership & increase productivity
  - Through better manufacturing process and automation
Investment in innovation driving pace in delivery of higher-valued, differentiated products

- Focused portfolio of higher-valued, differentiated products
- Projects aligned with business strategy and market drivers
- Increased speed and impact in the market

R&D/Innovation Investment Focus

- **New technology**
  - addressing megatrends
- **Next generation**
  - differentiated products for core and growth markets
- **Incremental extensions**
  - small/minor product improvements
CUSTOMER-LED INNOVATION

Innovation operating system ensures differentiated products and solutions

Market & Customer Insights

Engineers translate insights into technical challenges and solutions

Digital Customer Experience enhances customer collaborations, expands technology reach to small and medium-sized customers

Product Design

Materials Science

Process Expertise

Innovative products & solutions that customers want

KENionic™ Technology
Bionic-inspired design for machining large Transportation components

Complex Flow Control System
First wear and corrosion resistance additive grade in Energy market
Innovation process enables development of higher-value, in-demand products

~20% faster innovation time to launch than before Simplification/Modernization

~2X total anticipated sales impact than before Simplification/Modernization
Innovation system in action

**Increased Differentiated Value**

**FIX8™ Tooling System**

Industry leading turning technology for a wide range of applications

- **360° coolant delivery**
  - longer tool life
- **New insert design**
  - faster metal removal
- ** Superior clamping design**
  - ultra stable and robust

- Up to 30% higher metal removal rates and longer tool life
- Reduces machine power consumption needed by 15%

**Increased Speed to Market**

**KOR™ THE KING OF ROUGHING**

From concept to commercial 4x faster than average cycle

- Heavy roughing and finishing large aluminum and steel structures
- Up to 50% higher metal removal rates versus traditional

- Highly specialized unique designs that optimize performance
Award-winning innovations drive growth in our target markets

<table>
<thead>
<tr>
<th>General Engineering</th>
<th>Aerospace</th>
<th>Mining</th>
<th>Energy</th>
<th>Electric Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>Aerospace</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KENGold™ Technology</td>
<td>Award Winning HARVI™ 1TE</td>
<td>HARVI™ Ultra 8X</td>
<td>PCD Mining Roof Tools</td>
<td>Additive Nozzles</td>
</tr>
</tbody>
</table>

**Longer life, more productivity, 20% faster across applications**

**Unprecedented combination of high metal removal rates (MRR), tool life, cutting versatility**

**Highest metal removal rates (MRR) for its class in industry to date, especially in high-temperature alloys**

**15x longer life and higher productivity over traditional carbide – faster roof stabilization**

**Corrosion-resistance additive grade, cost effective complex-shaped bit nozzles**

**40% lighter weight and >3X productivity**
# Technology roadmap designed to enable share gain and base business growth

## Enhanced Product Launches

<table>
<thead>
<tr>
<th>FY24 – FY27 METAL CUTTING</th>
<th>FY24 – FY27 INFRASTRUCTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turning Innovations</td>
<td>Wear Solution Innovations</td>
</tr>
<tr>
<td>Holemaking Innovations</td>
<td>Construction Innovations</td>
</tr>
<tr>
<td>Indexable Milling Innovations</td>
<td>Regional Focused Innovations and Applications</td>
</tr>
<tr>
<td>Solid Carbide End Mill Innovations</td>
<td>New solutions in Aerospace &amp; Defense, Mining, Energy, and Ceramics</td>
</tr>
<tr>
<td>New advanced products solutions for EV, Aerospace, Medical</td>
<td></td>
</tr>
</tbody>
</table>

## Advanced Process Technologies

<table>
<thead>
<tr>
<th>Smart Factory Optimization and Digital Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Technologies Optimization</td>
</tr>
<tr>
<td>Next Generation Automation Technologies</td>
</tr>
</tbody>
</table>

## R&D Materials Advancements

<table>
<thead>
<tr>
<th>High Performance Coatings and Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Materials for Secular Growth Trend Markets</td>
</tr>
<tr>
<td>New Additive Universal Grades</td>
</tr>
<tr>
<td>Ceramic Materials and Applications Development</td>
</tr>
</tbody>
</table>
Ceramics: Building on core Materials Science strength to expand product offerings

Core Expertise: currently supporting ~$90M Ceramics business across the enterprise

**Titanium Diboride, Boron Nitride**
- Evaporator Boats
- High Temperature Thermal Insulating Components
- Powders/Additives for Coatings and Components

**Silicon Nitride, Sialon, Boron Carbide**
- Inserts and End Mills for Aerospace
- High Pressure Nozzles for General Engineering
Ceramics expertise enables attractive new applications that align with global megatrends.

Aerospace & Defense
- Defense Opportunity
  - KennaShield™
  - Aircraft Components

Energy
- Clean Energy Opportunity
  - Ball Bearings & Valves
  - Silicon Carbide Wafers
  - Hydrogen Storage
  - Solar Cells

General Engineering
- Medical Opportunity
  - Tools
  - Diagnostic Applications

Applying Ceramics technology capabilities to fuel growth beyond FY27 targets.
Leadership position in Additive Manufacturing expertise enables differentiated solutions

**KENionic™ Technology**
- Electric Vehicles

**KenTip™ FS**
- General Engineering

**Flow Control Device**
- Energy

---

**TARGET GROWTH OPPORTUNITIES**

- Advanced tooling for Aerospace & Defense, EV
- Unique components in Clean Energy, Aerospace & Defense

---

**OPTIMIZED PERFORMANCE**
- Less material usage
- Lower power consumption
- Increased productivity

**INCREASED FUNCTIONALITY**
- Feature integration
- Parts consolidation
- Ease of customization

**LEAD TIME REDUCTION**
- Faster development cycles
- Fewer manufacturing steps
- Lower inventory needs
Digital Customer Experience (DCX) extends technical reach to small and medium-sized customers

Enhanced customer experience at kennametal.com

1. Customer request for best solutions to make complex components
2. Rules engine delivers most efficient total solution package proposal
3. Proposal acceptance, order placement
4. Download CAD/CAM models, deliver solution
5. Post-sale application support secures long-term, repeat business

KMT Collaboration Space

- SOLUtion Finder
- COLLABORATION TEAM
- ADD TO CART
- VIRTUAL TOOLBOX

1. Customer request for best solutions to make complex components
2. Rules engine delivers most efficient total solution package proposal
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Innovation Advantage creating value for shareholders

- Delivering **customer-led innovation** enabled through customer insights and a disciplined innovation framework
- Driving **differentiated and market-leading products through** science, engineering and process expertise that enable share gain
- **Leveraging technology across segments** to grow in expanded markets and megatrends
- **Expanding technology reach** through customer collaboration and Digital Customer Experience
Financial Strategy

Patrick Watson
Vice President & CFO
Successful execution of Simplification/Modernization enables pathway for growth

**Innovation Advantage**
- 24 new products launched in FY23
- Faster speed to market
- Advanced product development and Materials Science expertise

**Commercial Excellence**
- Targeted growth initiatives
- Aerospace performance outpaces the market by 30%
- Product consistency
- Customer satisfaction

**Operational Excellence**
- ~$200m structural cost savings
- 20% global workforce reduction
- 6 fewer plants
- Safer, more efficient operations

**Above Market Growth**

**Margin Expansion**
Reaffirming our 2024 Outlook

**FY24 TOTAL YEAR OUTLOOK**

<table>
<thead>
<tr>
<th>Category</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$2.1 - $2.2B</td>
</tr>
<tr>
<td><strong>Volume growth</strong></td>
<td>~2 (2) - 3%</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>~$28M</td>
</tr>
<tr>
<td><strong>Adjusted Effective Tax Rate</strong></td>
<td>~24%</td>
</tr>
<tr>
<td><strong>Capital Spending</strong></td>
<td>~$100 - $110M</td>
</tr>
<tr>
<td><strong>Primary Working Capital (% of sales)</strong></td>
<td>30 - 32% throughout the year</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>$1.75 - $2.15</td>
</tr>
<tr>
<td><strong>Price realization</strong></td>
<td>~3%</td>
</tr>
<tr>
<td><strong>Neutral</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td>~$135M</td>
</tr>
<tr>
<td><strong>Foreign exchange</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Free Operating Cash Flow (FOCF)</strong></td>
<td>~100% of adjusted net income</td>
</tr>
<tr>
<td><strong>Share Repurchase</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Offset dilution</strong></td>
<td></td>
</tr>
<tr>
<td><strong>End markets continue to recover:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Transportation:</strong></td>
<td>Recovery continues at a more moderate pace</td>
</tr>
<tr>
<td><strong>Energy:</strong></td>
<td>Moderates with slowdown in US land rig count growth</td>
</tr>
<tr>
<td><strong>Aerospace &amp; Defense:</strong></td>
<td>Growth continues</td>
</tr>
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<td>~100% of adjusted net income</td>
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<tr>
<td><strong>Pricing to cover raw material, wage and general cost increases, on a dollar basis. Tungsten prices expected to be flat</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Restructuring savings ~$15M which is back-end loaded, annualized run rate of ~$20M at end of FY24</strong></td>
<td></td>
</tr>
</tbody>
</table>

**OUTLOOK CONSIDERS THE FOLLOWING ASSUMPTIONS**

- Inflationary environment continues to moderate
- End markets continue to recover:
  - **Transportation:** Recovery continues at a more moderate pace
  - **Energy:** Moderates with slowdown in US land rig count growth
  - **Aerospace & Defense:** Growth continues
- 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 which is back-end loaded, annualized run rate of ~$20M at end of FY24
Targeted opportunities delivering organic sales and market share growth

**Sales**

**Market and Price Initiatives**
- Positive market and megatrends
- Comprehensive product portfolio supported by complementary segments
- Price for value; moderating cost inflation

**Share Gain Initiatives**
- Gain share in traditional end markets
- Penetrate new and underserved markets
- Innovation Advantage driving growth

Historical Growth Capture

Strategic Initiative Driven Growth

FY23

$2.08B

FY27 E

4 - 6% CAGR

COMMITTED TO GROWTH AND MARGIN EXPANSION
## Strategic initiatives position KMT to deliver share gain

### Strategic Growth Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>End Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Vehicles</td>
<td></td>
</tr>
<tr>
<td>General Engineering</td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td></td>
</tr>
<tr>
<td>Aerospace &amp; Defense</td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td></td>
</tr>
<tr>
<td>Ceramics</td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td></td>
</tr>
</tbody>
</table>

### Opportunity

| Electric Vehicles        | Win new HEV and EV projects |
| General Engineering      | Target underserved small and medium shops |
| Medical                  | Leverage super alloy and solid end mill expertise |
| Aerospace & Defense      | Drive share to level comparable to share in Transportation |
|                         | Grow armor protection solutions and materials |
| Mining                   | Industrial materials, surface mining, mineral processing |
| Ceramics                 | Grow in China, defend high share of food packaging market in US & EU |
| Oil & Gas                | Gain share through more productive solutions |

- **General Engineering**
- **Aerospace & Defense**
- **Energy**
- **Transportation**
- **Earthworks**
Improving customer service and expanding profitability through Operational Excellence

The Kennametal Way

Continuous improvement of operational efficiency and customer service levels

Alignment of capital efficiency targets to leadership compensation

Expanded recycling capabilities and improved energy efficiency aligns with ESG and values

Operational Performance

Advanced process technology to enable new product innovations

Leverage lean manufacturing and Smart Factories to drive performance

Capacity Optimization 2.0

Safer, more efficient operations with higher levels of customer service

Working Capital Improvements

Advanced S&OP process and tools

Driving capital efficiency through inventory and cycle time reduction while improving delivery performance

COMMITTED TO GROWTH AND MARGIN EXPANSION
COMMITTED TO GROWTH AND MARGIN EXPANSION

Operational Excellence leading to margin expansion

$100M
Operational Excellence & Capacity Optimization 2.0
Expected Cost Savings
(FY24 – FY27)

- Optimizing inventory levels to improve customer experience at a lower cost
- Continuous operational improvement of approximately 1% of Cost of Sales per year
- $20M previously announced restructuring program
- Automation & Smart Factories to drive productivity
- 3-5 plant closures to further reduce structural costs

$20M previously announced restructuring program

Continuous operational improvement of approximately 1% of Cost of Sales per year
Business strategy driving profitable growth

Adj. EBITDA Margin

- FY2023: 15.5%
- Sales Volume
- Price/Mix
- Operational Excellence
- Inflation: 20 - 23%
- FY2027 E
**Strong free operating cash flow >100% of adjusted net income**

Free Operating Cash Flow Conversion

- **Demonstrated Capability**
  Cash conversion of 130% in FY23

- **Provides Significant Opportunity**
  Reinvest in the business to fund growth and reduce costs

- **Positioned for Flexibility**
  Ample cash flow to effectively fund our capital allocation priorities

- **Focus on Working Capital**
  Driving PWC to <30% through improved inventory management
Capital allocation maximizes shareholder value while funding growth

Maintain investment-grade credit rating

**Strategic Growth Initiatives**
- Reinvesting in the business in support of organic, profitable growth and margin expansion

**Opportunistic M&A**
- Disciplined approach to acquisitive growth

**Dividends**
- Unbroken dividend streak

**Share Repurchases**
- Offset dilution from compensation programs at minimum

- Positioned to drive long-term growth objectives

- Consistent return of cash to shareholders

$1.4B – $1.6B

FY24 - FY27
Cumulative cash from operations
Disciplined M&A strategy to support growth

**Acquisition Criteria**
- Market Penetration
- Product Expansion
- Market Adjacencies
- Adjacent Competencies

**Target Characteristics**
- Margin Accretive
- Geographic Diversification
- Expand Underserved Markets
- Attractive Organizational Culture
- Offer Significant Synergies
Go-forward strategy positions us to deliver growth, profitability, and strong returns through FY27

**Organic Sales**
- 4 – 6% CAGR\(^1\)

**Adjusted EBITDA Margin**
- 20 – 23% Target\(^1\)

**Adjusted EPS**
- 20 – 25% CAGR\(^1\)

**FOCF as % of Adj. Net Income**
- >100% Target\(^1\)

**Adjusted ROIC**
- 12 – 14% Target\(^1\)

**Market Growth**
- 1% – 2%

**Market Share Gain**
- 1% – 2%

**Price**
- ~2%

(1) Medium-term targets represent growth from FY23 through FY27 excluding M&A activity
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
Closing Remarks

Christopher Rossi
President & CEO
### A compelling investment opportunity

#### Sustainable Competitive Advantages
- Deep customer insight and application expertise in core markets
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- Advanced product development and innovative product portfolio

#### Above Market Growth
- Market-leading products serving diversified and expanded TAM
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#### Margin Expansion and Strong FOCF
- Excellent operating leverage
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#### 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
Key Facts and Assumptions

MEDIUM-TERM TARGETS CONSIDER THE FOLLOWING ASSUMPTIONS

- ~2% Price realization
- Neutral Foreign exchange
- Adjusted Effective Tax Rate ~25%
- ~$28M Interest Expense
- ~$100 - $120M Capital Spending
- 81 million Shares outstanding
- <30% Primary Working Capital (% of sales) throughout the cycle
- >100% Free Operating Cash Flow (FOCF) of adjusted net income
- <20% Operating Expense (% of sales) by FY27
- Inflationary environment returns to historical levels
- Pricing for value covers, wage and general cost increases
- Pension income neutral (non-cash)
- Cash restructuring charges of $100 million reflected over the cycle
- Tungsten prices stable at current market level
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 full fiscal year of 2024 through 2027 have not been provided, including but not limited to: FOCF, adjusted operating income, adjusted net income, adjusted EPS, adjusted ETR and primary working capital as a percentage of sales. 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 Effective Tax Rate (ETR), Adjusted Net Income Attributable to Kennametal and Adjusted EPS

The following GAAP financial measures have been presented on an adjusted basis: ETR, net income and EPS. Management adjusts for special items in measuring internal performance to more readily compare the Company’s financial performance period-to-period.

Organic Sales Growth

Organic sales growth is a non-GAAP financial measure of sales growth (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 on a consistent basis. Also, we report organic sales growth at the consolidated and segment levels.

Adjusted Return on Invested Capital

Adjusted Return on Invested Capital (Adjusted ROIC) is a non-GAAP financial measure and is defined by the Company as the previous twelve months’ net income, adjusted for interest expense, non-controlling interest and special items, divided by the sum of the previous five quarters’ average balances of debt and total equity. The most directly comparable GAAP measure is return on invested capital calculated utilizing GAAP net income. Management believes that adjusted ROIC provides additional insight into the underlying capital structure and performance of the Company.

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.
Non-GAAP Reconciliations (cont.)

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.

Primary Working Capital and Primary Working Capital as a Percentage of Sales Revenues
Primary Working Capital (PWC) is a non-GAAP financial measure and is defined by the Company 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. Primary Working Capital as a Percent of Sales (PWCPS) is defined by the Company as the average of the previous five quarters’ PWC divided by the previous twelve months’ sales. We believe PWC and PWCPS better represent Kennametal’s performance in managing certain assets and liabilities controllable at the segment level and such measures are 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.)

#### Organic Sales Growth - Metal Cutting

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic sales growth</td>
<td>10 %</td>
<td>10 %</td>
<td>11 %</td>
<td>9 %</td>
<td>7 %</td>
<td>5 %</td>
<td>7 %</td>
<td>19 %</td>
<td>30 %</td>
</tr>
<tr>
<td>Foreign currency exchange effect</td>
<td>(2)</td>
<td>(5)</td>
<td>(10)</td>
<td>(8)</td>
<td>(6)</td>
<td>(5)</td>
<td>—</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Business days effect</td>
<td>(2)</td>
<td>1</td>
<td>(1)</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>(1)</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>Sales growth</td>
<td>6 %</td>
<td>6 %</td>
<td>— %</td>
<td>1 %</td>
<td>1 %</td>
<td>2 %</td>
<td>6 %</td>
<td>20 %</td>
<td>37 %</td>
</tr>
</tbody>
</table>

#### Adjusted EBITDA

**($ in millions)**

<table>
<thead>
<tr>
<th></th>
<th>Year ended (June 30, 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to Kennametal, reported</td>
<td>$ 118.5</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>28.5</td>
</tr>
<tr>
<td>Interest income</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Provision for income taxes, reported</td>
<td>36.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>121.4</td>
</tr>
<tr>
<td>Amortization</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$ 316.4</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>15.2 %</td>
</tr>
</tbody>
</table>

**Adjustments:**

- Restructuring and related charges: 6.6

**Adjusted EBITDA:** $ 323.0

**Adjusted Margin:** 15.5 %
### Non-GAAP Reconciliations (cont.)

#### Adjusted Net Income Attributable to Kennametal

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Net income attributable to Kennametal, reported</td>
<td>$118.5</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Restructuring and related charges</td>
<td>5.2</td>
</tr>
<tr>
<td>Charges related to Russian and Ukrainian operations</td>
<td>—</td>
</tr>
<tr>
<td>Gain on New Castle divestiture</td>
<td>—</td>
</tr>
<tr>
<td>Discrete tax benefit</td>
<td>—</td>
</tr>
<tr>
<td>Effects from early extinguishment of debt</td>
<td>—</td>
</tr>
<tr>
<td>Partial annuitization of Canadian pension plans</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted net income attributable to Kennametal</td>
<td>$123.7</td>
</tr>
</tbody>
</table>

#### Free Operating Cash Flow

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Net cash flow provided by operating activities</td>
<td>$257.9</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(94.4)</td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment</td>
<td>5.0</td>
</tr>
<tr>
<td>Free operating cash flow</td>
<td>$168.6</td>
</tr>
</tbody>
</table>