FY23 First Quarter Earnings Call Presentation

November 1, 2022

KENNAMETAL®

Safe Harbor Statement

Certain statements in this release may be forward-looking in nature, or “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about Kennametal’s outlook for sales, adjusted operating income, FOCF, primary working capital, capital expenditures and adjusted effective tax rate for the second quarter and full year of fiscal 2023 and our expectations regarding future growth and financial performance are forward-looking statements. Any forward-looking statements are based on current knowledge, expectations and estimates that involve inherent risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, our actual results could vary materially from our current expectations. There are a number of factors that could cause our actual results to differ from those indicated in the forward-looking statements. They include: uncertainties related to changes in macroeconomic and/or global conditions, including as a result of increased inflation and Russia's invasion of Ukraine and the resulting sanctions on Russia; uncertainties related to the effects of the ongoing COVID-19 pandemic, including the emergence of more contagious or virulent strains of the virus, its impacts on our business operations, financial results and financial position and on the industries in which we operate and the global economy generally, including as a result of travel restrictions, business and workforce disruptions associated with the pandemic; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability, including the conflict in Ukraine; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; potential for future goodwill and other intangible asset impairment charges; our ability to protect and defend our intellectual property; continuity of information technology infrastructure; competition; our ability to retain our management and employees; demands on management resources; availability and cost of the raw materials we use to manufacture our products; product liability claims; integrating acquisitions and achieving the expected savings and synergies; global or regional catastrophic events; demand for and market acceptance of our products; business divestitures; energy costs; commodity prices; labor relations; and implementation of environmental remediation matters. Many of these risks and other risks are more fully described in Kennametal’s latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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

Q1 FY23 Summary

Results highlight continuing growth offset by inflation, foreign exchange & macro headwinds

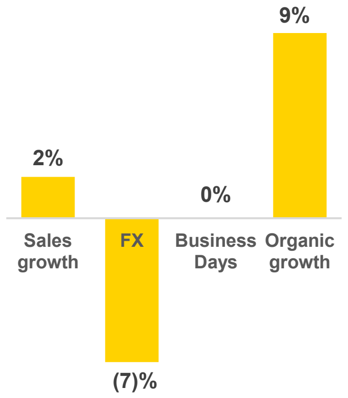
Price and growth initiatives driving sales gains

Sales up YoY to $495 million

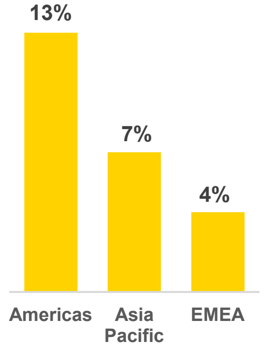
- **Strong organic growth both segments**
  - Metal Cutting 9%, Infrastructure 10%

- **Growth in all regions**
  - Strong broad growth in the Americas
  - China affected by rolling COVID lockdowns; strong growth in other AsiaPac
  - Russian exit in 3Q22 lowered EMEA growth by 300 bps
- **Growth in all end-markets**
  - Underlying strength in demand continues

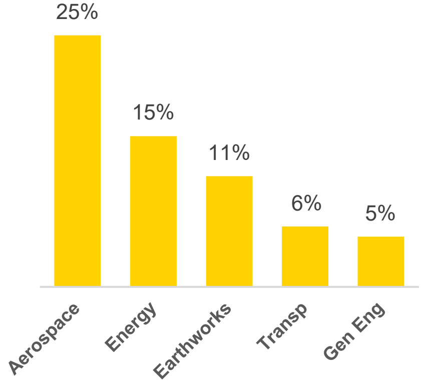
Sales Growth



Regional Sales Growth (in constant currency)



End-Market Sales Growth (in constant currency)

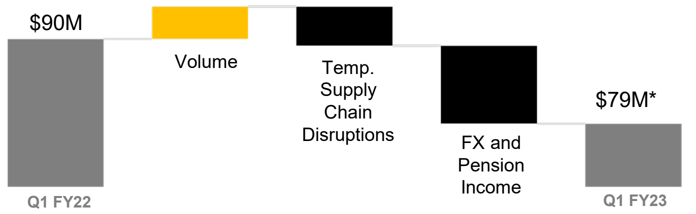


Solid underlying operating performance masked by inflation, FX and temporary supply disruptions

Adjusted EBITDA of $79 million at 15.9% margin*

- Primary YoY operational and macroeconomic drivers:
  - ~ +$4M of volume at typical operating leverage
  - ~ $(5)M of temporary supply chain disruptions
  - ~ $(6)M of foreign exchange
  - ~ $(4)M of reduced pension income

Adjusted EBITDA ($ millions)



*Financial results were not adjusted during Q1 FY23

Returned $36M to shareholders

- $19 million in share repurchases and $16 million dividends
- Free operating cash flow of $(40)M includes building safety stock and higher raw material cost

Earnings per share: Reported and Adjusted EPS of $0.34* (vs. $0.44 adjusted EPS prior year)

Sustainable growth from strong competitive position and well-defined Commercial Excellence initiatives

Grow share in current base business

- KMT holds leadership position in its markets through innovative products and best-in-class customer support
- Commercial Excellence initiatives protect existing position and drives share-of-wallet
- Operational Excellence initiatives target increased productivity and improved customer service

+

Mega-trends align with KMT expertise

- Steady demand for electric vehicles (EV), aircraft, clean energy and fossil fuels
- Changing workforce expects on-demand, digital customer experience
- ESG-focused customers want tools that increase productivity while decreasing energy and resource consumption

+

Growth in underserved markets

- Targeting existing, but underserved markets:
- Small & Medium General Engineering job shops
- Applications including medical, micro parts and fit-for-purpose
- Complex machining for Aerospace and Electric Vehicles
- Global opportunities with large Energy & Mining multinationals

+

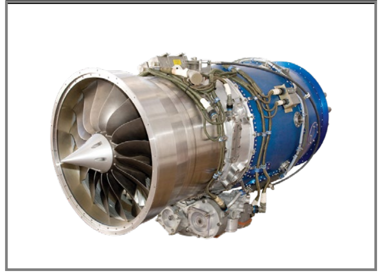
Accelerate with M&A

- M&A focus is to drive profitable growth
- Supplement core areas of expertise
- Bolt-on targets to further penetrate under-served markets

Combination of current leading position, mega-trends and new opportunities creates environment for growth

Investments in Commercial Excellence and Innovation driving share gain

Aerospace



- Provided tooling for large aerospace supplier of engines
- Won by delivering a high-precision solution that solved the customer's technical challenges and opens opportunities for additional business

Space

- Designated as preferred supplier of high-performance tooling for a manufacturer of specialized space station components and astronaut backpacks
- Won by delivering exceptional customer support through customer-first mindset

Additive

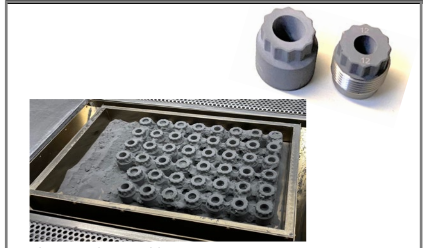


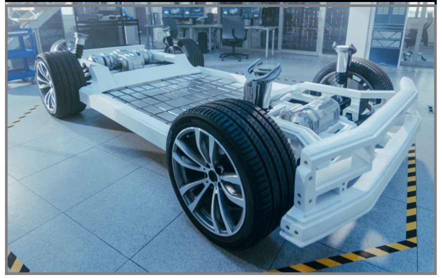
Photo credit GE Additive

- Gained share with oilfield services company and are now the sole source supplier of customer's new high-performance nozzles
- Won by developing new material grade, enabling production with additive manufacturing, as customer's new design cannot be produced using traditional manufacturing methods

Plastics Production

- Gained share for extrusion dies with a major process industry company
- Won by leveraging our OEM relationship to design and manufacture a die exceeding end-user's expectations for performance, delivery and technical support

EV Battery



- Secured initial win with global EV manufacturer for battery manufacturing wear solution
- Won by providing superior performing solution and opens collaboration and development opportunities with other EV manufacturers in this rapidly expanding market

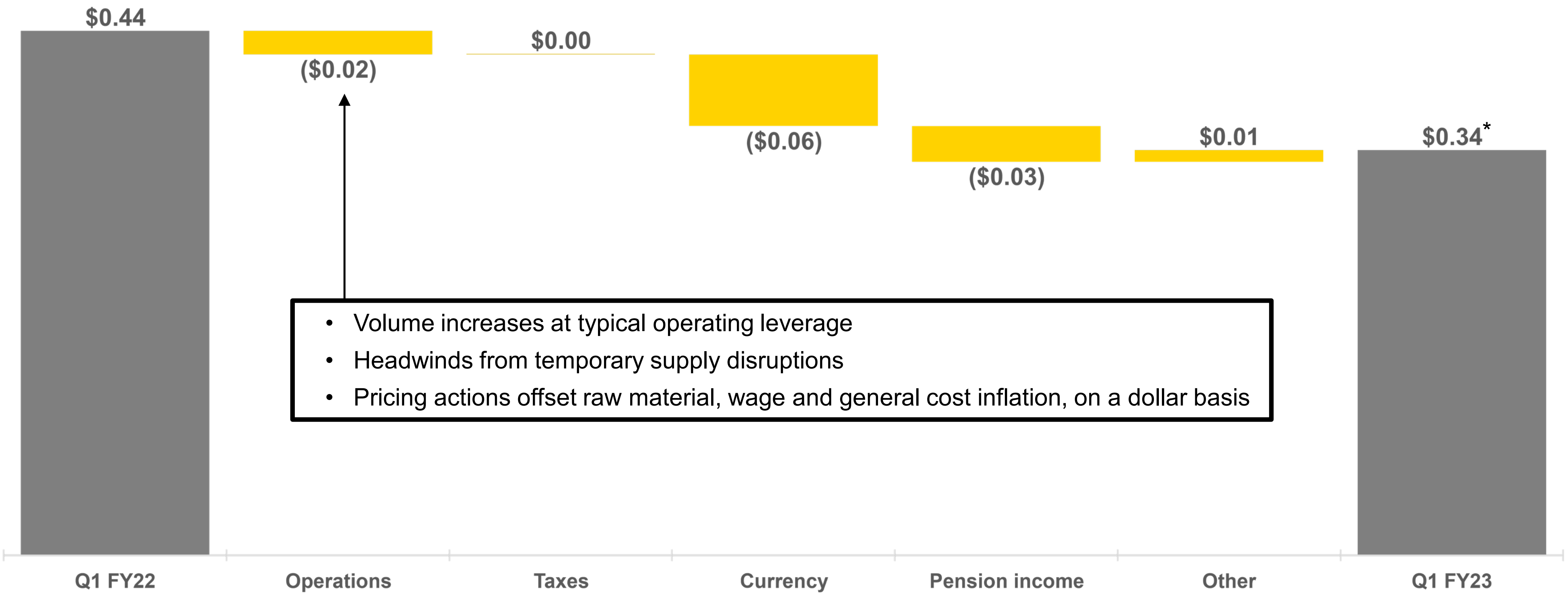
Results reflect focused execution of initiatives in inflationary environment

Quarter Ended ($ in millions)	Change from PY	Reported* Sept 30, 2022	Adjusted Sept 30, 2021	Reported Sept 30, 2021
Sales	**2%**	**$495**	**$484**	**$484**
Organic		9%	19%	19%
FX		(7)%	2%	2%
Business Days		-	-	-
Gross Profit	**(1)%**	**$160**	**$162**	**$161**
% of sales	-120 bps	32.3%	33.5%	33.2%
Operating Expense	**5%**	**$108**	**$103**	**$103**
% of sales	70 bps	21.9%	21.2%	21.2%
EBITDA	**(13)%**	**$79**	**$90**	**$89**
% of sales	-270 bps	15.9%	18.6%	18.3%
Operating Income	**(13)%**	**$49**	**$56**	**$55**
% of sales	-180 bps	9.8%	11.6%	11.3%
Effective Tax Rate	**60 bps**	**27.5%**	**26.9%**	**27.0%**
EPS (Earnings per Diluted Share)	**(22)%**	**$0.34**	**$0.44**	**$0.43**

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

Q1 FY23 Adjusted EPS Bridge

Volume growth offset by inflation, foreign exchange and regional macro headwinds



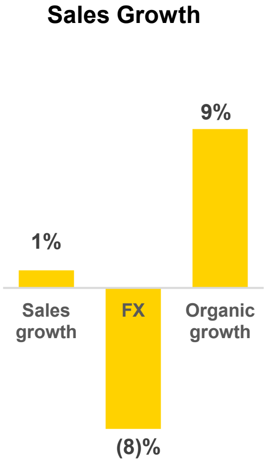
* Financial results were not adjusted during Q1 FY23

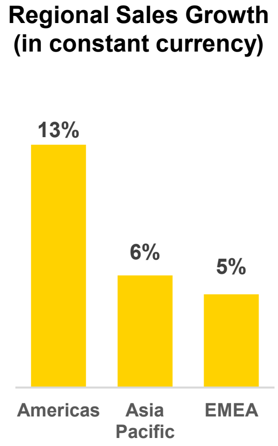
Solid performance despite challenging regional dynamics and macroeconomic headwinds

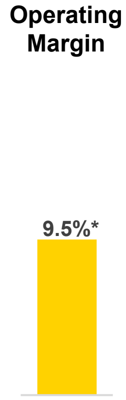
9% Organic sales growth;
Q1 FY23 sales of $300M

- **Growth in all regions**
  - Americas driven by broad favorable demand trends
  - China affected by rolling COVID-19 lockdowns
  - Other AsiaPac countries saw strong growth
  - Russian exit in 3Q22 lowered EMEA growth by 400 bps

- **Adjusted operating margin decreased 70 bps to 9.5%***
  - Volume increase at typical operating leverage
  - Macroeconomic headwinds from FX and inflation continue
  - Headwind from temporary supply chain disruptions
  - Price offsetting raw materials, wage & general inflation on a dollar basis



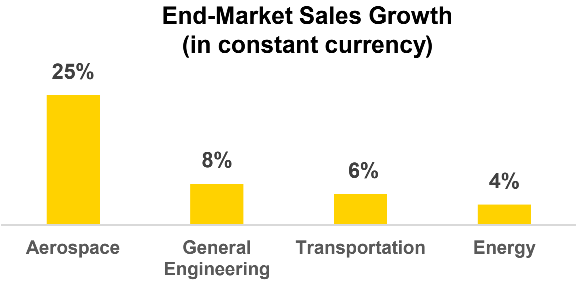




* Financial results were not adjusted during Q1 FY23

Underlying demand strength continues

- **Growth in all end markets**
  - Aerospace benefiting from focused execution on strategic initiatives and rebounding demand
  - General Engineering driven primarily by strength in Americas
  - Transportation improves, but still constrained by supply chain
  - Energy driven primarily by growth in Oil and Gas in the Americas



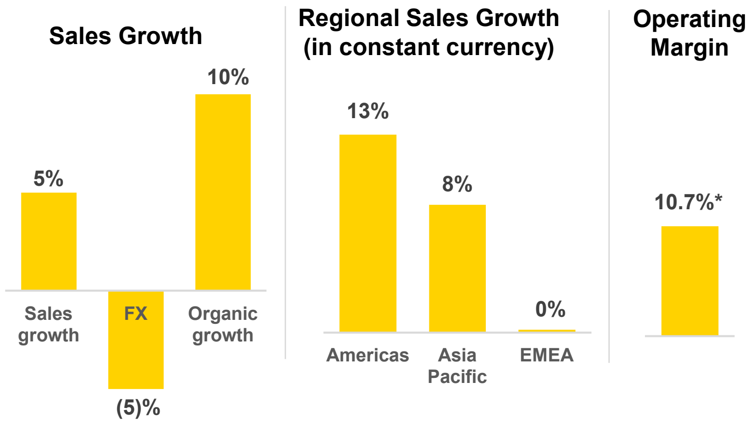
Solid execution
helping to mitigate inflation and other macroeconomic challenges

- Continued progress on driving share gain with new and existing customers
- Strong pricing actions taken; commensurate with inflationary environment
- Driving improvements in customer service and labor and material productivity

Price and productivity initiatives mitigating effects of inflationary headwinds

10% Organic sales growth;
Q1 FY23 sales of $195M

- **Strong growth in the Americas and AsiaPac**
  - Americas driven by Energy and Earthworks
  - AsiaPac driven by Earthworks and General Engineering
  - EMEA flat; Earthworks strength offset by General Engineering decline

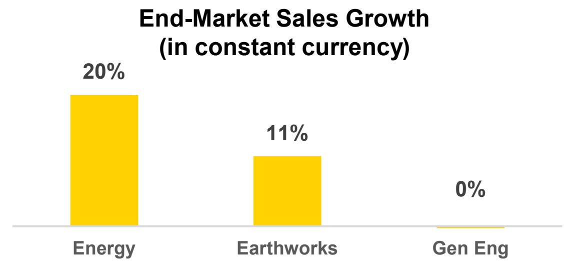


- **Adjusted operating margin decreased YoY by 340 bps to 10.7%***
  - Macroeconomic headwinds from FX and inflation continue
  - Headwind from temporary supply chain disruptions
  - Price offsetting raw materials, wage & general inflation on a dollar basis

* Financial results were not adjusted during Q1 FY23

End markets continuing to improve

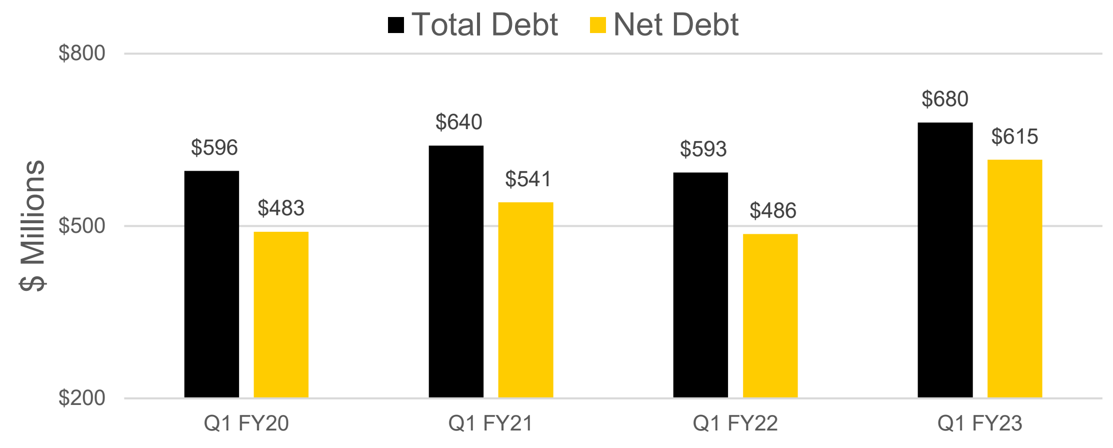
- Energy end-market strength driven by the Americas
  - Average US land only rig count improvement remains strong ~50% YoY
- Earthworks strong in all regions
- General Engineering driven by strength in AsiaPac offset by decline in EMEA

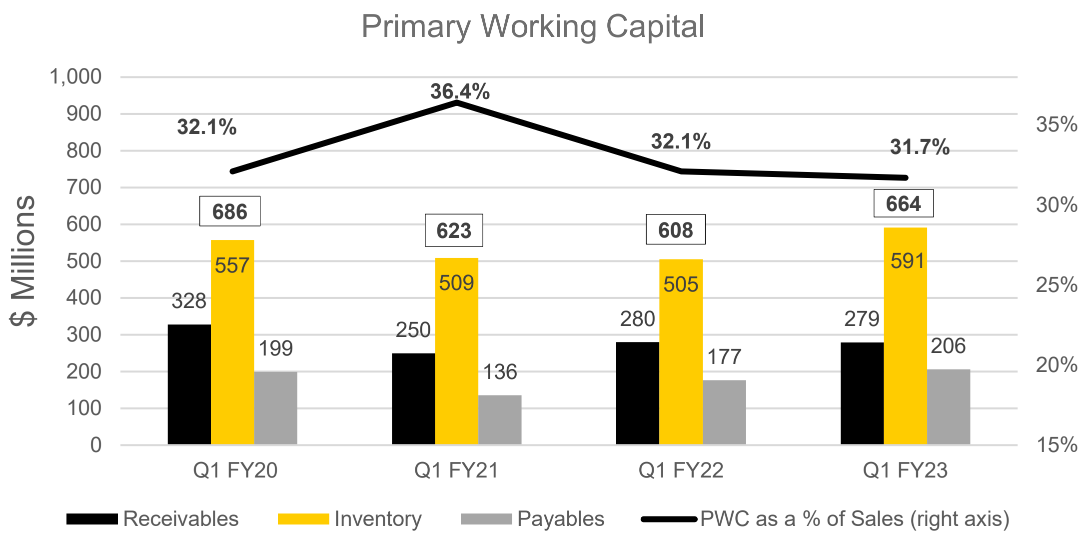


Executing mitigation plans and Pricing actions to overcome macroeconomic challenges

- Driving organic growth and share gain through strategic initiatives in targeted end-markets
- Aggressive pricing actions taken; commensurate with inflationary environment
- Executing plans to fully mitigate effect of temporary supply chain disruptions by end FY23
- Continued focus on Operational Excellence initiatives to further improve efficiency and customer service levels

Strong balance sheet supports continuing execution of strategic initiatives





Debt Structure & Covenants

- **Debt profile**
  - Two $300M notes mature June 2028 & March 2031
  - $700M revolver amended and extended to June 2027
    - $80M outstanding at quarter-end
  - Covenant ratio well within limits
- **$200M 3-year share repurchase program**
  - Q1: $19M purchased; 824K shares
  - Since inception: $105M purchased; 3.5M shares

Consolidated Results ($ in millions)	**Q1 FY23**	**Q1 FY22**
Net Cash from Operating Activities	$(11)	$16
Capital Expenditures, Net	$(29)	$(17)
Free Operating Cash Flow (FOCF)	$(40)	$(2)
Dividends	$(16)	$(17)

Q2 FY23 Outlook

Focused execution of initiatives despite continuing high inflation, FX & other macro headwinds

Q2 FY23 Outlook	
Sales	$480M - $500M
Volume growth	0% - 4%
Price Realization	~7%
Foreign exchange	~$40M headwind
Interest Expense	~$8M
Adjusted Operating Income	≥$30M

Sequentially, the outlook reflects the following:

- Q1 to Q2 raw material cost headwind as expected: ~$(15) million
  - This is due to timing of higher cost material flowing through P&L
- Q1 to Q2 change in FX, non-cash pension income and temporary supply chain disruptions are immaterial

Revenue Assumptions YoY:

- Continued growth in Aerospace, Energy, Earthworks and General Engineering
- Transportation gradually improves through the year as supply chain disruptions abate
- Earthworks follows normal seasonal pattern
- No significant effects from COVID-19 lockdowns in China or energy disruptions in EMEA

Profitability Assumptions YoY:

- Volume increases leverage at typical rate
- FX YoY headwind ~$7 million on operating income
- Inflationary environment continues; pricing to cover raw material, wage and general cost increases, on a dollar basis
- Significant raw material headwind ~$25 million
- Temporary supply chain disruptions of ~$5 million
- Non-cash pension income lower by ~$4 million

FY23 Total Year Outlook

Ending the year stronger through focused execution of initiatives; quarterly results mixed

FY23 Total Year Outlook	
Sales Volume growth Price realization Foreign exchange	$2,000M - $2,080M 0% - 4% 5% - 6% ~$130M headwind
Interest Expense	~$30M
Adjusted Effective Tax Rate	26% - 28%
Adjusted EPS	$1.30 - $1.70
Depreciation & Amortization	~$135M
Capital Spending	$100M - $120M
Primary Working Capital (% of sales)	31 - 33% throughout the year
Free Operating Cash Flow (FOCF)	~100% of adjusted net income
Share Repurchases	Offset dilution from compensation programs, at a minimum

Revenue Assumptions YoY:

- Demand expected to be in line with normal seasonality
  - No significant effects from COVID-19 lockdowns in China or energy disruptions in EMEA

Profitability Assumptions YoY:

- Volume increase at typical operating leverage
- FX YoY headwinds of ~$25 million on operating income
- Inflationary environment continues; pricing to cover raw material, wage and general cost increases, on a dollar basis
  - Raw material cost YoY headwinds continue; tungsten prices expected to be flat for the rest of FY23
- Temporary supply chain disruptions expected to abate in the second half
- Pension income lower by ~$14 million

Summary

Demonstrated ability to advance our strategic initiatives and secure market leading positions

Q1 results highlight pricing and strategic initiatives

- Driving price, productivity and growth initiatives to help mitigate macroeconomic headwinds
- Leveraging Innovative products and deep understanding of customer applications to secure leading positions in targeted end markets
- Competitively positioned to capitalize on the long-term positive underlying drivers in our end-markets

Operational and Commercial Excellence initiatives defend margins and enable growth

- Proven ability to execute strategic initiatives, focusing on things we can control and remaining nimble
- Operational Excellence initiatives driving productivity improvements
- Commercial Excellence initiatives driving market share gains

Executing balanced capital allocation

- Investing in world-class manufacturing to drive improvements in productivity and customer service
- Returning cash to shareholders through dividends and share repurchase programs
- Supplementing organic growth with bolt-on acquisitions

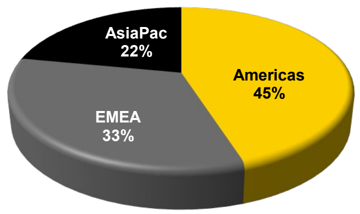
* Constant Currency Regional Sales Growth
** Constant Currency End-Market Sales Growth

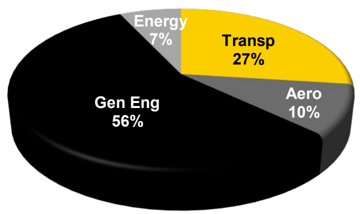
Appendix

Segment Results

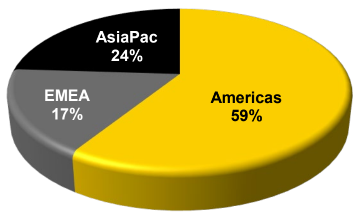
Growth in all end-markets and regions; aerospace, energy and earthworks at double-digit YoY growth

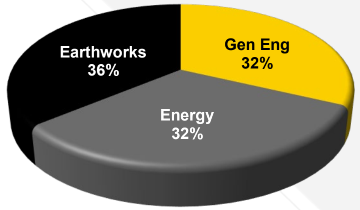
Metal Cutting





Infrastructure





Period Ending September 30, 2022
($ in millions)

		Q1 FY23		
	% of KMT total	**Metal Cutting**	**Infrastructure**	**Total**
Sales		**$300**	**$195**	**$495**
Organic		**9%**	**10%**	**9%**
FX		**(8)%**	**(5)%**	**(7)%**
Constant Currency Regional Growth:				
Americas	*51%*	13%	13%	13%
EMEA	*27%*	5%	0%	4%
AsiaPac	*22%*	6%	8%	7%
Constant Currency End-Market Growth:				
General Engineering	*46%*	8%	0%	5%
Energy	*17%*	4%	20%	15%
Transportation	*16%*	6%	N/A	6%
Earthworks	*15%*	N/A	11%	11%
Aerospace	*6%*	25%	N/A	25%
Operating Income		**$29**	**$21**	**$49**
Operating Margin		**9.5%**	**10.7%**	**9.8%**

Strong balance sheet supports initiatives

ASSETS *($ in millions)*	**September 2022**	**June 2022**
Cash and cash equivalents	$65	$86
Accounts receivable, net	279	295
Inventories	591	571
Other current assets	77	73
Total current assets	1,011	1,025
Property, plant and equipment, net	973	1,002
Goodwill and other intangible assets, net	360	370
Other assets	173	177
Total assets	$2,516	$2,574
LIABILITIES *($ in millions)*		
Revolving and other lines of credit and notes payable	$85	$21
Accounts payable	206	228
Other current liabilities	206	237
Total current liabilities	497	486
Long-term debt	595	594
Other liabilities	186	202
Total liabilities	1,278	1,282
Kennametal Shareowners' Equity	1,201	1,253
Noncontrolling interests	37	39
Total liabilities and equity	$2,516	$2,574

Non-GAAP Reconciliations

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

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

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

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

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

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

Non-GAAP Reconciliations (cont'd)

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

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

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

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

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

(1) Acquisition impact is calculated by dividing current period sales attributable to acquired businesses by prior period sales.
(2) Divestiture impact is calculated by dividing prior period sales attributable to divested businesses by prior period sales.
(3) Business days impact is calculated by dividing the year-over-year change in weighted average working days (based on mix of sales by country) by prior period weighted average working days.
(4) Foreign currency exchange impact is calculated by dividing the difference between current period sales and current period sales at prior period foreign exchange rates by prior period sales.

Non-GAAP Reconciliations (cont'd)

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

[5] Attributable to Kennametal Shareholders

Non-GAAP Reconciliations (cont'd)

($ in millions)	Three Months Ended September 30, 2022	2021
Net income attributable to Kennametal, reported	$ 28.2	$ 36.2
Add back:		
Interest expense	6.6	6.3
Interest income	(0.2)	(0.2)
Provision for income taxes	11.2	14.0
Depreciation	29.5	29.1
Amortization	3.2	3.3
EBITDA	$ 78.5	$ 88.7
Margin	15.9 %	18.3 %
Adjustments:		
Restructuring and related charges	—	1.2
Adjusted EBITDA	$ 78.5	$ 89.9
Adjusted Margin	15.9 %	18.6 %

Non-GAAP Reconciliations (cont'd)

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

Non-GAAP Reconciliations (cont'd)

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 %

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

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 %

Kennametal **Three Months Ended September 30, 2022**	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	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, 2021**	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	22 %	21 %	7 %
Foreign currency exchange effect	2	2	4
Regional sales growth	24 %	23 %	11 %

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

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

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended September 30, 2022	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth	8 %	6 %	25 %	4 %
Foreign currency exchange effect	(8)	(9)	(7)	(7)
End market sales growth (decline)	— %	(3)%	18 %	(3)%

Infrastructure

Three Months Ended September 30, 2022	Energy	Earthworks	General Engineering
Constant currency end market sales growth	20 %	11 %	— %
Foreign currency exchange effect	(3)	(5)	(5)
End market sales growth (decline)	17 %	6 %	(5)%

Kennametal

Three Months Ended September 30, 2022	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales growth	15 %	11 %	5 %	6 %	25 %
Foreign currency exchange effect	(4)	(5)	(6)	(9)	(7)
End market sales growth (decline)	11 %	6 %	(1)%	(3)%	18 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

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

Infrastructure

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

Kennametal

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

Non-GAAP Reconciliations (cont'd)

Net Debt	Three Months Ended			
(in millions)	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total debt (gross)	$ 679.8	$ 592.9	$ 639.7	$ 596.4
Less: cash and cash equivalents	64.6	107.3	98.3	113.5
Net debt	$ 615.2	$ 485.6	$ 541.4	$ 482.9

	Three Months Ended September 30,	
(in millions)	2022	2021
Net cash flow (used in) provided by operating activities	$ (10.7)	$ 15.8
Purchases of property, plant and equipment	(29.5)	(17.8)
Proceeds from disposals of property, plant and equipment	0.2	0.4
Free operating cash flow	$ (40.0)	$ (1.6)

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 to banks	(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 to banks	(368)	(8,365)	(18,745)	(34,979)	(46,458)	
Other current liabilities	(211,778)	(251,370)	(242,327)	(233,509)	(233,039)	
Total excluded current liabilities	(212,146)	(259,735)	(261,072)	(268,488)	(279,497)	
Adjusted current liabilities	177,077	177,659	164,481	134,153	136,076	
Primary working capital	$ 607,649	$ 601,631	$ 614,893	$ 638,222	$ 622,655	$ 617,010

	Three Months Ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	Total
Sales	$ 483,509	$ 515,971	$ 484,658	$ 440,507	$ 1,924,645
Primary working capital as a percentage of sales					32.1 %

Non-GAAP Reconciliations (cont'd)

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

	Three Months Ended				
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	Total
Sales	$ 400,305	$ 379,053	$ 483,084	$ 505,080	$ 1,767,522
Primary working capital as a percentage of sales					36.4 %

Non-GAAP Reconciliations (cont'd)

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

	Three Months Ended				
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	Total
Sales	$ 518,088	$ 603,949	$ 597,204	$ 587,394	$ 2,306,635
Primary working capital as a percentage of sales					32.1 %

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