FY21 First Quarter
Earnings Call Presentation

November 3, 2020

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 earnings, sales volumes, cash flow, capital expenditures and effective tax rate for fiscal year 2020 and our expectations regarding future growth and financial performance are forward-looking statements. Any forward-looking statements are based on current knowledge, expectations and estimates that involve inherent risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, our actual results could vary materially from our current expectations. There are a number of factors that could cause our actual results to differ from those indicated in the forward-looking statements. They include: the duration 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 downturns in the business cycle or the economy; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; risks related to our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; potential for future goodwill and other intangible asset impairment charges; our ability to protect and defend our intellectual property; continuity of information technology infrastructure; competition; our ability to retain our management and employees; demands on management resources; availability and cost of the raw materials we use to manufacture our products; product liability claims; integrating acquisitions and achieving the expected savings and synergies; global or regional catastrophic events; demand for and market acceptance of our products; business divestitures; labor relations; and implementation of environmental remediation matters. Many of these risks and other risks are more fully described in Kennametal’s latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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

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Results reflect strong execution in the face of continued end-market weakness

Q1 FY21 Overview & Highlights

- **<u>Organic sales down due to declining end-markets:</u> (21)% organic sales decline vs. (11)% decline prior year**
  - Segment organic growth rates: Metal Cutting (23)% and Infrastructure (18)%
  - Regional growth rates*: the Americas (28)%, EMEA (21)%, AsiaPac (6)%
  - Sales up 6% sequentially and up ~3% excluding FX, outperforming average ~(10)% sequential decline
  - Sequential improvement across all regions, particularly in transportation and general engineering end-markets
- **<u>Volume decline continuing to have an effect on margins</u>: 2.9% Adjusted Operating Margin vs. 4.7% prior year**
  - Adjusted EBITDA margin improved 40 bps to 11.3% vs.10.9% prior year quarter
    - Improved margins driven by increasing benefits from raw materials (~650 bps), simplification/modernization and cost control actions, partially offset by volume declines and related under absorption
- **<u>Simplification/Modernization on-track and progressing well</u>**
  - Incremental Simplification/Modernization benefits of $22M, up 166% year-over-year; $123M of benefits since inception
  - Footprint rationalization activities progressing well
  - FY21 total benefits on-track for ~$80M
- **<u>Earnings per share:</u> Reported $(0.26); Adjusted $0.03 (vs. $0.17 PY)**
  - Adjusted effective tax rate increased to 33% from 23% prior year quarter
- **<u>Looking forward: Disciplined execution yielding results</u>**
  - Q2 FY21 sales expected to be up low to mid-single digits sequentially from Q1 FY21
  - Simplification/Modernization benefits (including restructuring) on-track for $180M by FY21 year-end, even on low volumes
    - FY21 Restructuring Actions expected to deliver $65-$75M of annualized run-rate savings by fiscal year-end
  - Total year capital spending to be in the range of $110-$130M; slightly 1st half weighted
  - Commercial excellence and growth initiatives gaining traction

* Constant Currency Regional Sales Growth

Focused on growing beyond market rates and positioning for the recovery

Fit-for-Purpose Applications

- Progress tracking with expectations
- Positive reaction from new and existing customers with early wins including a major machine tool builder
- Channel partners are enthusiastic about operating in the market with clearer brand positioning

Full-Solution Applications

- Kennametal brand continues to win; share gain at major machine tool builder manufacturing facility
- Leveraging proven tooling solution for wind turbine manufacturing to capture share
- Continuing to introduce best-in-class products; two recent examples in General Engineering

HPX Solid Carbide Drill

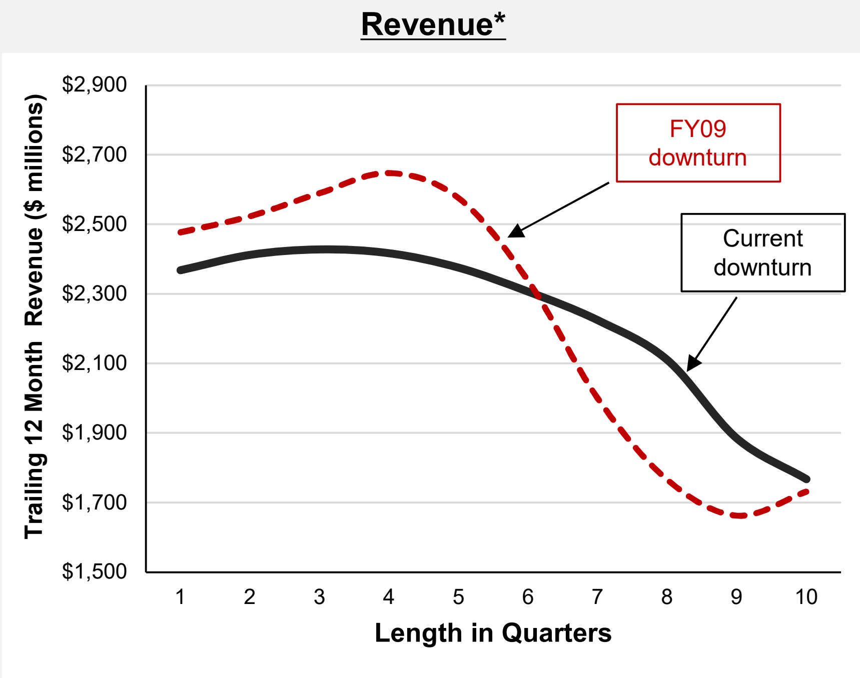
- High performance large volume drilling in steel
- 2x tool life compared to competing products
- 3x productivity compared to competing products

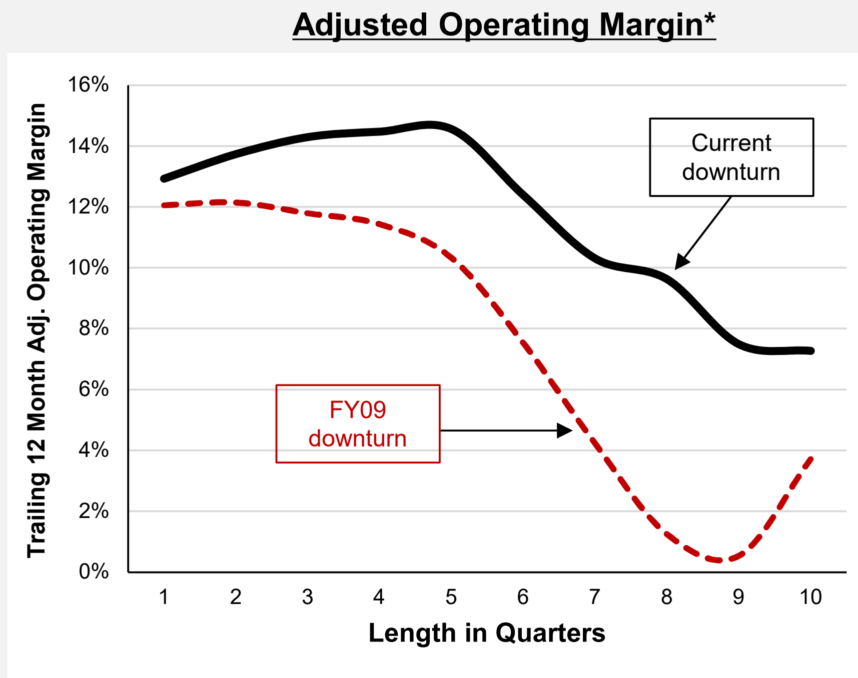
KCFM™ 45 Face Milling Cutter

- Provides more flexibility with both semi-finishing and fine-finishing options
- Achieves the highest surface quality requirements
- Cost effective and user-friendly solution ideal for any CNC machinist

Simplification/Modernization & cost-controls improve profitability through the downturn

Trailing-twelve-month-adjusted operating margin higher than FY09 downturn





Current downturn: F4Q18-F1Q21
FY09 downturn: F1Q08-F2Q10
Starting point is 4 quarters prior to start of negative organic growth
*See footnote on slide 15

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Strong execution results in EBITDA margin increase even on low volumes

Consolidated Q1 FY21 Financial Overview

		Adjusted		Reported	
Quarter Ended *($ in millions)*	**Change from PY**	**Sept. 30, 2020**	**Sept. 30, 2019**	**Sept. 30, 2020**	**Sept. 30, 2019**
Sales	**(23)%**	**$400**	**$518**	**$400**	**$518**
Organic		(21)%	(11)%	(21)%	(11)%
FX		(1)%	(2)%	(1)%	(2)%
Divestiture		(1)%	-	(1)%	-
Business Days		-	1%	-	1%
Gross Profit	**(24)%**	**$108**	**$142**	**$105**	**$139**
% of sales	(50) bps	27.0%	27.5%	26.2%	26.8%
Operating Expense	**(18)%**	**$93**	**$114**	**$93**	**$114**
% of sales	130 bps	23.3%	22.0%	23.3%	22.0%
EBITDA	**(21)%**	**$45**	**$57**	**$17**	**$49**
% of sales	40 bps	11.3%	10.9%	4.1%	9.4%
Operating Income	**(53)%**	**$11**	**$24**	**$(17)**	**$16**
% of sales	(180) bps	2.9%	4.7%	(4.3)%	3.2%
Effective Tax Rate	+1,090 bps	33.4%	22.5%	12.1%	33.7%
EPS (Earnings per Diluted Share)	**(82)%**	**$0.03**	**$0.17**	**$(0.26)**	**$0.08**

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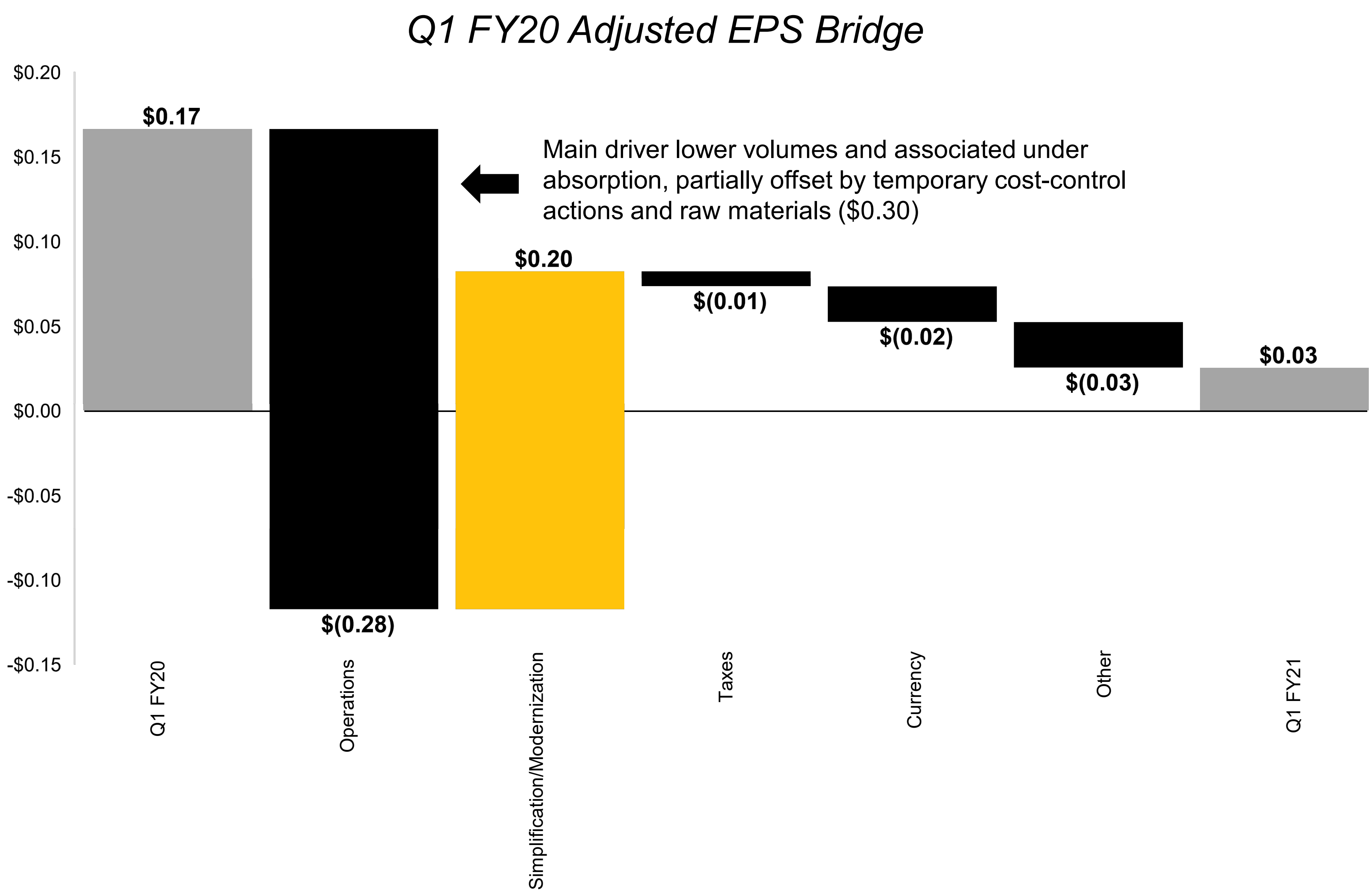
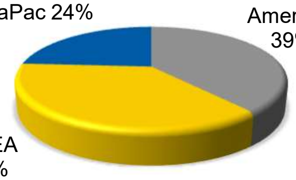
Higher simplification/modernization benefits partially offset low volumes



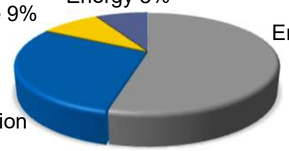
Slow end-markets partially offset by strong cost-control and modernization benefits

Metal Cutting Business Segment
Q1 FY21 Summary

Sales by Geography



Sales by End Market



Q1 FY21 sales $248 million; (23)% organic sales decline vs. (11)% decline in prior year quarter

- Regional sales declines*: Americas (29)%, EMEA (24)%, AsiaPac (9)%
- Headwind from FX of (1)%, no effect from business days
- Adjusted operating margin decreased by 690 bps to 1.0%, due to lower volumes & associated under absorption, partially offset by increasing benefits from simplification/modernization, cost-control measures and favorable raw materials (230 bps)

Experiencing sequential improvement, despite continued headwinds from global manufacturing slowdown

- Sequential improvement across all regions and end-markets, excluding aerospace
- General Engineering and Transportation YoY declines of (20)% and (21)%, respectively **, improving off lows
- Aerospace remains challenged at (45)% YoY decline
- Energy (17%) decline; continuing low demand in oil & gas, partially offset by YoY growth in China & AsiaPac wind energy **

Simplification/Modernization initiatives on-track with increasing benefits, setting us up well for the economic recovery

- Simplification/Modernization actions on-track, including the closure of Johnson City plant; YoY benefits increasing
- Continuing focus on short-term cost-control actions and production schedules to match low demand environment
- Commercial strategy progress on-track with some early wins; initial channel feedback on brand strategy positive

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

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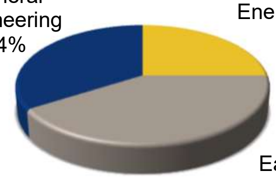
Raw materials and simplification/modernization benefits offset slow end-markets

Infrastructure Business Segment
Q1 FY21 Summary

Sales by Geography

Sales by End Market



Q1 FY21 sales $152 million; (18)% organic sales decline vs. (11)% decline in prior year quarter

- Regions*: Americas (27)%, EMEA (9)%, AsiaPac +1%
- Headwind of (4)% from divestiture partially offset by benefit from extra selling days of 1%; FX neutral
- Quarterly adjusted operating margin increase YoY by 700 basis points to 6.5%
  - Improvement driven by favorable raw material (1,330 bps), simplification/modernization benefits and temporary cost-control actions; partially offset by lower volumes

End-markets stabilizing at low levels, some bright spots; oil & gas remains challenged

- Energy, General Engineering and Earthworks decline at (31)%, (14)% and (11)%, respectively**
- Oil & gas stabilizing at low levels; average US land only rig count down (73)% YoY, flat sequentially
- Earthworks sales decline YoY driven by Americas' underground mining

Progress in simplification/modernization; growth initiatives resulting in share gain wins in targeted end-markets

- Simplification/Modernization on-track, benefits increasing sequentially
- Focus on growth initiatives resulting in share gains; particularly in general engineering

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

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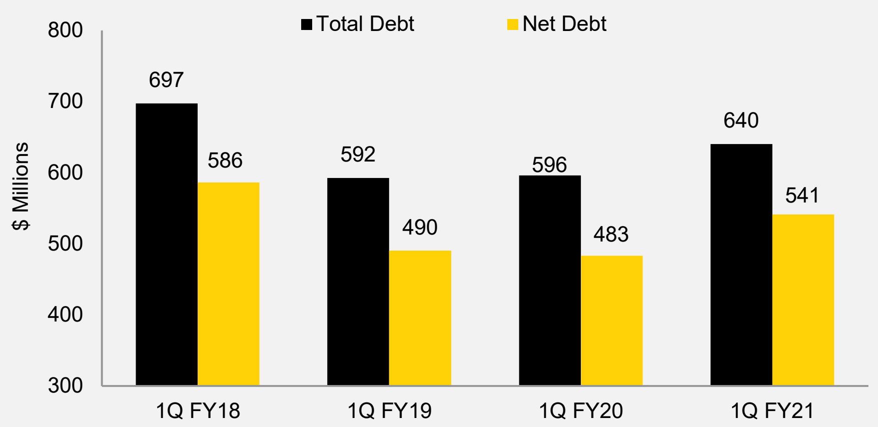
Strong balance sheet & cash position allow continued focus on initiatives



Debt Structure & Covenants

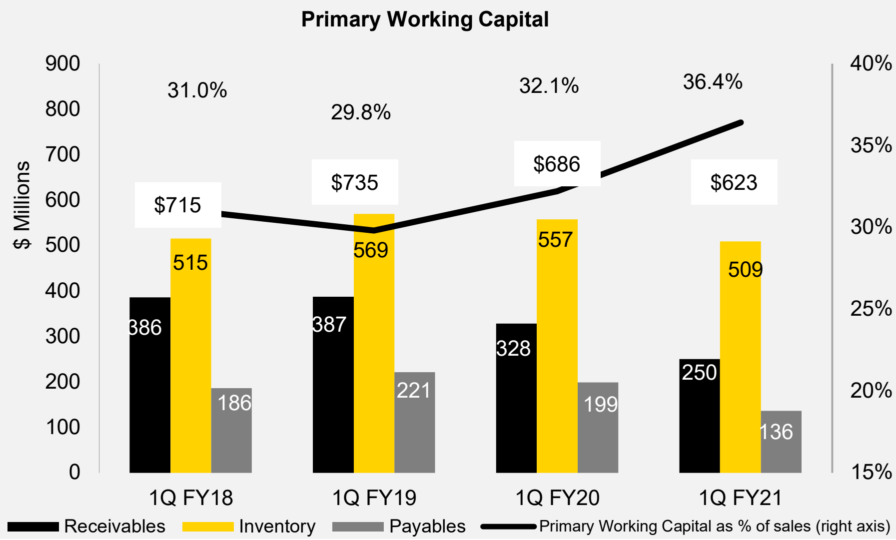
Debt Structure

- Two $300M notes; mature February 2022 & June 2028
- $700M revolver matures June 2023; $500M draw largely repaid
- Amended revolver to increase flexibility, temporarily increasing Net Debt/EBITDA threshold

Covenants(1)

- Net Debt/EBITDA ≤ 4.25x; ratio at Sept 30th: 1.95x
- EBITDA/Interest ≥ 3.5x; ratio at Sept 30th: 7.8x

(1) definitions as per the amended credit agreement



Consolidated Results ($ in millions)	**1Q FY21**	**1Q FY20**
Net Cash Provided by Operating Activities	$10	$28
Capital Expenditures	($39)	($72)
Free Operating Cash Flow (FOCF)	($29)	($45)
Dividends	($17)	($17)

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FY21 primary EPS and FOCF drivers

		Year-over-Year Change 1H21	2H21	FY21 Highlights
EPS Drivers	Simplification/Modernization	+	+	• Full year benefits ~$80 million
	Temporary Cost-Control Actions	+	—	• 1H temporary cost-control actions • Prior year actions and variable compensation 2H headwind
	Raw Materials	+	Neutral	• Benefit in 1H and neutral in 2H based on current spot prices
	Depreciation & Amortization	—	—	• $130M-$140M versus $120M in FY20
	Adjusted Effective Tax Rate	Expect FY21 tax rate to be similar to FY20 tax rate of 33%; may vary by quarter		
FOCF Drivers	Capital Spending	+	++	• Capital spending of $110M-$130M with majority in 1H
	Cash Restructuring	—	—	• FY21 Restructuring Actions of $90M-$100M, majority cash
	Primary Working Capital*	—	—	• Mainly driven by A/R and A/P • 2H dependent upon timing of market recovery

* Primary Working Capital reflects sequential changes starting from June 30, 2020 balances

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Navigating through challenging environment with a focus on the future

- Advancing strategic commercial initiatives to drive growth and market share gain
- Effectively managing costs and aligning production with current demand to protect margins
- Strong execution on simplification/modernization initiatives, including footprint rationalization
  - ✓ Simplification/Modernization program nearing completion; capex substantially reduced
  - ✓ Benefits increasing on actions already taken
- Maintaining strong liquidity position
- Well positioned to outperform as markets recover
- Adjusted EBITDA profitability targets achievable when end-markets recover such that sales levels reach $2.5B - $2.6B

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Appendix

Adjusted Segment Results

Quarter ended *($ in millions)*	September 30, 2020			September 30, 2019		
	Metal Cutting	**Infrastructure**	**Total**	**Metal Cutting**	**Infrastructure**	**Total**
Sales	**$248**	**$152**	**$400**	**$324**	**$194**	**$518**
Organic	(23)%	(18)%	(21)%	(11)%	(11)%	(11)%
FX	(1)%	-	(1)%	(2)%	(1)%	(2)%
Business Days	-	1%	-	1%	1%	1%
Divestiture	-	(4)%	(1)%	-	-	-
Constant Currency Regional Growth:						
Americas	(29)%	(27)%	(28)%	(7)%	(14)%	(10)%
EMEA	(24)%	(9)%	(21)%	(11)%	9%	(7)%
AsiaPac	(9)%	1%	(6)%	(17)%	(11)%	(15)%
Constant Currency End-market Growth:						
Energy	(17)%	(31)%	(26)%	(8)%	(24)%	(19)%
General Engineering	(20)%	(14)%	(19)%	(9)%	(4)%	(8)%
Transportation	(21)%	n/a	(21)%	(17)%	n/a	(17)%
Aerospace	(45)%	n/a	(45)%	(1)%	n/a	(1)%
Earthworks	n/a	(11)%	(11)%	n/a	(1)%	(1)%
Adjusted Operating Income (Loss)	**$2**	**$10**	**$11**	**$26**	**($1)**	**$24**
Adjusted Operating Margin	**1.0%**	**6.5%**	**2.9%**	**7.9%**	**(0.5)%**	**4.7%**

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Balance Sheet

ASSETS *($ in millions)*	**September 2020**	**June 2020**
Cash and cash equivalents	$98	$607
Accounts receivable, net	250	238
Inventories	509	522
Other current assets	79	74
Total current assets	**$936**	**$1,441**
Property, plant and equipment, net	1,054	1,038
Goodwill and other intangible assets, net	405	403
Other assets	164	156
Total assets	**$2,559**	**$3,038**

LIABILITIES *($ in millions)*		
Revolving and other lines of credit and notes payable	$47	$500
Accounts payable	136	165
Other current liabilities	233	233
Total current liabilities	**$416**	**$898**
Long-term debt	593	594
Other liabilities	284	277
Total liabilities	**$1,293**	**$1,769**
Kennametal Shareowners' Equity	1,225	1,230
Noncontrolling interests	41	39
Total liabilities and equity	**$2,559**	**$3,038**

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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 decline, adjusted gross profit and margin; adjusted operating expense and adjusted operating expense as a percentage of sales; adjusted operating income (loss) and margin; rolling four quarter adjusted operating income (loss) margin; adjusted effective tax rate (ETR); adjusted net income (loss) attributable to Kennametal; adjusted earnings (loss) per diluted share (E(L)PS); adjusted earnings before interest, taxes, depreciation and amortization (EBITDA); adjusted Metal Cutting operating income (loss) and margin; adjusted Infrastructure operating (loss) 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 (Loss) and Margin, Trailing Twelve Month Adjusted Operating Margin, Adjusted ETR, Adjusted Net Income (Loss) Attributable to Kennametal and Adjusted E(L)PS
The following GAAP financial measures have been presented on an adjusted basis: gross profit and margin, operating expense, operating expense as a percentage of sales, operating income (loss) and margin, ETR, net income (loss) and E(L)PS. 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.

Note that Trailing Twelve Month Adjusted Operating Margin is derived from the Company's previously disclosed sales and adjusted operating income (loss) information. It is calculated by taking total adjusted operating income (loss) in four consecutive quarters and dividing it by total sales in the same four consecutive quarters. There may be inconsistencies in management's calculation of adjusted operating income (loss) over time due to the nature of the adjustments made to operating income (loss) as well as changes in GAAP reporting requirements.

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

Constant Currency Regional Sales Growth (Decline)
Constant currency regional sales growth (decline) is a non-GAAP financial measure of sales growth (decline) (which is the most directly comparable GAAP measure) by region excluding the impacts of acquisitions(1), divestitures(2) and foreign currency exchange(4) from year-over-year comparisons. We note that, unlike organic sales 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.

Constant Currency End Market Sales Decline
Constant currency end market sales decline is a non-GAAP financial measure of sales decline (which is the most directly comparable GAAP measure) by end market excluding the impacts of acquisitions(1), divestitures(2) and foreign currency exchange(4) from year-over-year comparisons. We note that, unlike organic sales decline, constant currency end market sales 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 decline on a consistent basis. Also, we report constant currency end market sales decline at the consolidated and segment levels.

Non-GAAP Reconciliations (cont'd)

EBITDA
EBITDA is a non-GAAP financial measure and is defined as net income (loss) 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 (loss), 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 per share data and percents)	Sales	Gross Profit	Operating Expense	Operating (Loss) Income	Effective Tax Rate	Net (Loss) Income[5]	Diluted (L)EPS
Q1 FY21 Reported Results	$ 400.3	$ 105.1	$ 93.3	$ (17.2)	12.1%	$ (21.7)	$ (0.26)
Reported Margins		26.2%	23.3%	(4.3%)			
Restructuring and related charges	-	3.0	-	28.6	12.3	25.0	0.30
Differences in projected annual tax rates[6]	-	-	-	-	9.0	(1.0)	(0.01)
Q1 FY21 Adjusted Results	$ 400.3	$ 108.1	$ 93.3	$ 11.4	33.4%	$ 2.3	$ 0.03
Q1 FY21 Adjusted Margins		27.0%	23.3%	2.9%			

[5] Attributable to Kennametal Shareholders

[6] Represents a change in the method in which management calculates the tax effect on adjustments within the non-GAAP reconciliations. By separately presenting the effect of the differences in projected annual tax rates during the current period, management believes that the tax effects related to restructuring and related charges are more accurately reflected. This change does not affect adjusted results. The effect of the differences in projected annual tax rates was immaterial during the three months ended September 30, 2019 and, therefore, the prior period has not been retrospectively adjusted.

($ in millions, except per share data and percents)	Sales	Gross Profit	Operating Expense	Operating Income	Effective Tax Rate	Net Income[5]	Diluted EPS
Q1 FY20 Reported Results	$ 518.1	$ 139.0	$ 114.2	$ 16.4	33.7%	$ 6.5	$ 0.08
Reported Margins		26.8%	22.0%	3.2%			
Restructuring and related charges	-	3.3	-	8.0	(11.2)	7.4	0.09
Q1 FY20 Adjusted Results	$ 518.1	$ 142.3	$ 114.2	$ 24.3	22.5%	$ 13.9	$ 0.17
Q1 FY20 Adjusted Margins		27.5%	22.0%	4.7%			

Non-GAAP Reconciliations (cont'd)

($ in millions)	Three months ended September 30, 2020		2019	
Net (loss) income attributable to Kennametal, reported	$	(21.7)	$	6.5
Add back:				
Interest expense		10.6		7.9
Interest income		(0.3)		(0.4)
Provision for income taxes, reported		(2.9)		3.8
Depreciation		27.6		27.3
Amortization		3.3		3.7
EBITDA	$	16.6	$	48.8
Margin		4.1%		9.4%
Adjustments:				
Restructuring and related charges		28.5		8.0
Adjusted EBITDA	$	45.1	$	56.7
Adjusted Margin		11.3%		10.9%

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Non-GAAP Reconciliations (cont'd)

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

($ in millions, except percents)	Metal Cutting Sales[7]	Metal Cutting Operating Income[7]	Infrastructure Sales	Infrastructure Operating Loss
Q1 FY20 Reported Results	$ 324.1	$ 19.3	$ 194.0	$ (2.7)
Reported Operating Margin		6.0%		-1.4%
Restructuring and related charges	-	6.3	-	1.7
Q1 FY20 Adjusted Results	$ 324.1	$ 25.6	$ 194.0	$ (1.0)
Q1 FY20 Adjusted Operating Margin		7.9%		-0.5%

[7] Amounts for the three months ended September 30, 2019 have been restated to reflect the change in reportable operating segments.

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Non-GAAP Reconciliations (cont'd)

Three months ended September 30, 2020:	Metal Cutting	Infrastructure	Kennametal
Organic Sales Decline	(23%)	(18%)	(21%)
Foreign Currency Exchange Impact	(1%)	0%	(1%)
Business Days Impact	0%	1%	0%
Divestiture Impact	0%	(4%)	(1%)
Sales Decline	(24%)	(21%)	(23%)

Three months ended September 30, 2019:	Metal Cutting[7]	Infrastructure	Kennametal
Organic Sales Decline	(11%)	(11%)	(11%)
Foreign Currency Exchange Impact	(2%)	(1%)	(2%)
Business Days Impact	1%	1%	1%
Sales Decline	(12%)	(11%)	(12%)

[7] Amounts for the three months ended September 30, 2019 have been restated to reflect the change in reportable operating segments.

Kennametal	
Three months ended September 30, 2020:	**Energy**
Constant currency sequential sales growth	3%
Foreign currency exchange impact	3%
Sequential sales growth	6%

Non-GAAP Reconciliations (cont'd)

Metal Cutting			
Three months ended September 30, 2020:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	(29%)	(24%)	(9%)
Foreign currency exchange impact	(1%)	1%	(2%)
Regional sales decline	(30%)	(23%)	(11%)

Metal Cutting	
Three months ended September 30, 2020:	**China**
Constant currency regional sales growth	10%
Foreign currency exchange impact	0%
Regional sales growth	10%

Infrastructure			
Three months ended September 30, 2020:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales (decline) growth	(27%)	(9%)	1%
Foreign currency exchange impact	2%	(1%)	(1%)
Divestiture impact	(6%)	0%	0%
Regional sales decline	(31%)	(10%)	0%

Kennametal			
Three months ended September 30, 2020:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	(28%)	(21%)	(6%)
Foreign currency exchange impact	(0%)	1%	(1%)
Divestiture impact	(3%)	0%	0%
Regional sales decline	(31%)	(20%)	(7%)

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Non-GAAP Reconciliations (cont'd)

Metal Cutting			
Three months ended September 30, 2019[7]:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	(7%)	(11%)	(17%)
Foreign currency exchange impact	0%	(3%)	(1%)
Regional sales decline	(7%)	(14%)	(18%)

[7] Amounts for the three months ended September 30, 2019 have been restated to reflect the change in reportable operating segments.

Infrastructure			
Three months ended September 30, 2019:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales (decline) growth	(14%)	9%	(11%)
Foreign currency exchange impact	0%	(4%)	(2%)
Regional sales (decline) growth	(14%)	5%	(13%)

Kennametal			
Three months ended September 30, 2019:	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	(10%)	(7%)	(15%)
Foreign currency exchange impact	0%	(4%)	(1%)
Regional sales decline	(10%)	(11%)	(16%)

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Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three months ended September 30, 2020:	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales decline	(20%)	(21%)	(45%)	(17%)
Foreign currency exchange impact	0%	(1%)	0%	0%
End market sales decline	(20%)	(22%)	(45%)	(17%)

Infrastructure

Three months ended September 30, 2020:	Energy	Earthworks	General Engineering
Constant currency end market sales decline	(31%)	(11%)	(14%)
Foreign currency exchange impact	0%	(1%)	2%
Divestiture impact	(1%)	0%	(10%)
End market sales decline	(32%)	(12%)	(22%)

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Three months ended September 30, 2020:	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales decline	(26%)	(11%)	(19%)	(21%)	(45%)
Foreign currency exchange impact	1%	(1%)	1%	(1%)	0%
Divestiture impact	(1%)	0%	(3%)	0%	0%
End market sales decline	(26%)	(12%)	(21%)	(22%)	(45%)

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three months ended September 30, 2019[7]:	General Engineering	Transportation	Aerospace	Energy
Constant currency end market sales decline	(9%)	(17%)	(1%)	(8%)
Foreign currency exchange impact	(2%)	(2%)	(2%)	(1%)
End market sales decline	(11%)	(19%)	(3%)	(9%)

[7] Amounts for the three months ended September 30, 2019 have been restated to reflect the change in reportable operating segments.

Infrastructure

Three months ended September 30, 2019:	Energy	Earthworks	General Engineering
Constant currency end market sales decline	(24%)	(1%)	(4%)
Foreign currency exchange impact	0%	(2%)	(1%)
End market sales decline	(24%)	(3%)	(5%)

Kennametal

Three months ended September 30, 2019:	Energy	Earthworks	General Engineering	Transportation	Aerospace
Constant currency end market sales decline	(19%)	(1%)	(8%)	(17%)	(1%)
Foreign currency exchange impact	(1%)	(2%)	(1%)	(2%)	(2%)
End market sales decline	(20%)	(3%)	(9%)	(19%)	(3%)

Non-GAAP Reconciliations (cont'd)

($ in millions)	Three months ended September 2020	2019
Net cash flow from operating activities	$ 9.6	$ 27.5
Purchases of property, plant and equipment	(39.3)	(72.5)
Proceeds from disposals of property, plant and equipment	0.3	0.4
Free operating cash flow	$ (29.4)	$ (44.5)

(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	
Revolving and other lines of credit and notes payable to banks	(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%

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Non-GAAP Reconciliations (cont'd)

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

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

Non-GAAP Reconciliations (cont'd)

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

	Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	Total
Sales	$ 586,687	$ 646,119	$ 607,936	$ 571,345	$ 2,412,087
Primary working capital as a percentage of sales					29.8%

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Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	Average
Current assets	$ 1,075,915	$ 1,113,901	$ 1,043,046	$ 971,745	$ 991,837	
Current liabilities	396,967	461,478	426,799	390,151	402,574	
Working capital, GAAP	$ 678,948	$ 652,423	$ 616,247	$ 581,594	$ 589,263	
Excluding items:						
Cash and cash equivalents	(110,697)	(190,629)	(100,817)	(102,001)	(119,411)	
Other current assets	(64,874)	(55,166)	(75,061)	(80,375)	(64,660)	
Total excluded current assets	(175,571)	(245,795)	(175,878)	(182,376)	(184,071)	
Adjusted current assets	900,344	868,106	867,168	789,369	807,766	
Current maturities of long-term debt and capital leases, including notes payable	(1,252)	(925)	(1,591)	(2,263)	(1,381)	
Other current liabilities	(209,373)	(244,831)	(234,367)	(219,008)	(225,189)	
Total excluded current liabilities	(210,625)	(245,756)	(235,958)	(221,271)	(226,570)	
Adjusted current liabilities	186,342	215,722	190,841	168,880	176,004	
Primary working capital	$ 714,002	$ 652,384	$ 676,327	$ 620,489	$ 631,762	$ 658,993
		Three Months Ended				
		9/30/2017	6/30/2017	3/31/2017	12/31/2016	Total
Sales		$ 542,454	$ 565,025	$ 528,630	$ 487,573	$ 2,123,682
Primary working capital as a percentage of sales						31.0%

Net Debt (in millions)	Three months ended			
	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total debt (gross)	$ 639.7	$ 596.4	$ 592.1	$ 696.6
Less: cash and cash equivalents	98.3	113.5	102.1	110.7
Net debt	$ 541.4	$ 482.9	$ 490.0	$ 585.9

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