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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended: December 31, 2024**  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**  
Commission file number 1-5318

**KENNAMETAL INC.**

(Exact name of registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction of incorporation or organization)

**25-0900168**  
(I.R.S. Employer Identification No.)

**525 William Penn Place**  
**Suite 3300**  
**Pittsburgh, Pennsylvania**  
(Address of principal executive offices)

**15219**  
(Zip Code)

Registrant's telephone number, including area code: **(412) 248-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Capital Stock, par value \$1.25 per share	KMT	New York Stock Exchange
Preferred Stock Purchase Rights		New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 31, 2025, 77,360,327 shares of the Registrant's Capital Stock, par value \$1.25 per share, were outstanding.

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**KENNAMETAL INC.**  
**FORM 10-Q**  
**FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2024**

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## **FORWARD-LOOKING INFORMATION**

This Quarterly Report on Form 10-Q contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that do not relate strictly to historical or current facts. You can identify forward-looking statements by words such as “should,” “anticipate,” “estimate,” “approximate,” “expect,” “may,” “will,” “project,” “intend,” “plan,” “believe” and other words of similar meaning and expression in connection with any discussion of future operating or financial performance or events. We have also included forward-looking statements in this Quarterly Report on Form 10-Q concerning, among other things, our strategy, goals, plans and projections regarding our financial position, liquidity and capital resources, results of operations, market position and product development. These statements are based on current 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 conflict in the Middle East; 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 conflicts in Ukraine and the Middle East; 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. We provide additional information about many of the specific risks we face in the “Risk Factors” section of our Annual Report on Form 10-K and in other periodic reports we file from time to time with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in our forward-looking statements will be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. Except as required by law, we do not intend to release publicly any revisions to forward-looking statements as a result of future events or developments.

**PART I – FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**
**KENNAMETAL INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(in thousands, except per share amounts)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Sales	\$ 482,051	\$ 495,320	\$ 963,999	\$ 987,796
Cost of goods sold	337,021	355,723	667,960	685,301
Gross profit	145,030	139,597	296,039	302,495
Operating expense	109,308	107,342	220,962	218,991
Restructuring and other charges, net (Note 6)	1,335	1,033	1,946	4,119
Amortization of intangibles	2,720	2,743	5,438	5,788
Operating income	31,667	28,479	67,693	73,597
Interest expense	6,180	6,847	12,493	13,447
Other income, net	(1,477)	(687)	(3,136)	(597)
Income before income taxes	26,964	22,319	58,336	60,747
Provision for (benefit from) income taxes	7,927	(2,009)	15,833	6,050
Net income	19,037	24,328	42,503	54,697
Less: Net income attributable to noncontrolling interests	1,109	1,220	2,452	1,532
Net income attributable to Kennametal	\$ 17,928	\$ 23,108	\$ 40,051	\$ 53,165
<b>PER SHARE DATA ATTRIBUTABLE TO KENNAMETAL SHAREHOLDERS</b>				
Basic earnings per share	\$ 0.23	\$ 0.29	\$ 0.51	\$ 0.67
Diluted earnings per share	\$ 0.23	\$ 0.29	\$ 0.51	\$ 0.66
Basic weighted average shares outstanding	77,724	79,700	77,896	79,863
Diluted weighted average shares outstanding	78,379	80,114	78,495	80,395

**KENNAMETAL INC.  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)**

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net income	\$ 19,037	\$ 24,328	\$ 42,503	\$ 54,697
Other comprehensive (loss) income, net of tax				
Unrealized gain (loss) on derivatives designated and qualified as cash flow hedges	1,169	(59)	1,085	(59)
Reclassification of unrealized gain on derivatives designated and qualified as cash flow hedges	(169)	(192)	(392)	(385)
Unrecognized net pension and other postretirement benefit plans gain (loss)	3,191	(1,752)	616	(235)
Reclassification of net pension and other postretirement benefit plans loss	1,539	1,071	3,724	2,125
Foreign currency translation adjustments	(56,998)	31,791	(21,960)	11,604
Total other comprehensive (loss) income, net of tax	(51,268)	30,859	(16,927)	13,050
Total comprehensive (loss) income	(32,231)	55,187	25,576	67,747
Less: comprehensive (loss) income attributable to noncontrolling interests	(669)	1,888	1,397	1,560
Comprehensive (loss) income attributable to Kennametal Shareholders	\$ (31,562)	\$ 53,299	\$ 24,179	\$ 66,187

The accompanying notes are an integral part of these condensed consolidated financial statements.

**KENNAMETAL INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(in thousands, except per share data)	December 31, 2024	June 30, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 121,151	\$ 127,971
Accounts receivable, less allowance for doubtful accounts of \$7,929 and \$7,831, respectively	254,141	302,810
Inventories (Note 9)	536,634	514,632
Other current assets	56,848	57,179
<b>Total current assets</b>	<b>968,774</b>	<b>1,002,592</b>
Property, plant and equipment:		
Land and buildings	418,947	415,376
Machinery and equipment	1,995,134	1,992,001
Less accumulated depreciation	(1,503,957)	(1,469,314)
<b>Property, plant and equipment, net</b>	<b>910,124</b>	<b>938,063</b>
Other assets:		
Goodwill (Note 17)	268,796	271,567
Other intangible assets, less accumulated amortization of \$188,804 and \$184,352, respectively (Note 17)	75,715	81,421
Operating lease right-of-use assets	44,140	48,142
Deferred income taxes	78,574	79,333
Other	89,682	82,640
<b>Total other assets</b>	<b>556,907</b>	<b>563,103</b>
<b>Total assets</b>	<b>\$ 2,435,805</b>	<b>\$ 2,503,758</b>
<b>LIABILITIES</b>		
Current liabilities:		
Revolving and other lines of credit and notes payable (Note 11)	\$ 1,370	\$ 1,377
Current operating lease liabilities	12,100	12,766
Accounts payable	198,512	191,541
Accrued income taxes	10,802	13,152
Accrued expenses	37,996	53,013
Other current liabilities	121,448	144,112
<b>Total current liabilities</b>	<b>382,228</b>	<b>415,961</b>
Long-term debt, less current maturities (Note 10)	596,384	595,980
Operating lease liabilities	32,342	35,631
Deferred income taxes	35,345	36,171
Accrued pension and postretirement benefits	107,399	109,915
Accrued income taxes	1,683	1,484
Other liabilities	20,323	20,017
<b>Total liabilities</b>	<b>1,175,704</b>	<b>1,215,159</b>
Commitments and contingencies		
EQUITY (Note 15)		
Kennametal Shareholders' Equity:		
Preferred stock, no par value; 5,000 shares authorized; none issued	—	—
Capital stock, \$1.25 par value; 120,000 shares authorized; 77,329 and 77,889 shares issued, respectively	96,661	97,361
Additional paid-in capital	394,394	416,620
Retained earnings	1,179,385	1,170,482
Accumulated other comprehensive loss	(450,460)	(434,588)
<b>Total Kennametal Shareholders' Equity</b>	<b>1,219,980</b>	<b>1,249,875</b>
Noncontrolling interests	40,121	38,724
<b>Total equity</b>	<b>1,260,101</b>	<b>1,288,599</b>
<b>Total liabilities and equity</b>	<b>\$ 2,435,805</b>	<b>\$ 2,503,758</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**KENNAMETAL INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)**

(in thousands)	Six Months Ended December 31,	
	2024	2023
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 42,503	\$ 54,697
Adjustments to reconcile to cash from operations:		
Depreciation	62,130	60,500
Amortization	5,438	5,788
Stock-based compensation expense	13,375	14,652
Restructuring and other charges, net (Note 6)	1,946	4,119
Deferred income taxes	(1,903)	(7,726)
Gain on insurance recoveries	(7,500)	—
Other	2,666	11,279
Changes in certain assets and liabilities:		
Accounts receivable	43,167	20,447
Inventories	(30,695)	(9,471)
Accounts payable and accrued liabilities	(27,214)	(36,220)
Accrued income taxes	606	(17,259)
Accrued pension and postretirement benefits	(2,445)	(5,497)
Other	(1,174)	(7,001)
Net cash flow provided by operating activities	100,900	88,308
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(43,967)	(57,487)
Disposals of property, plant and equipment	405	5,208
Business acquisitions	—	(4,010)
Proceeds from insurance recoveries	7,193	—
Other	(222)	(117)
Net cash flow used in investing activities	(36,591)	(56,406)
<b>FINANCING ACTIVITIES</b>		
Net increase in notes payable	—	2,112
Net increase in revolving and other lines of credit	—	20,500
Purchase of capital stock	(30,062)	(28,754)
The effect of employee benefit and stock plans and dividend reinvestment	(6,240)	(7,864)
Cash dividends paid to Shareholders	(31,148)	(31,844)
Other	(599)	(658)
Net cash flow used in financing activities	(68,049)	(46,508)
Effect of exchange rate changes on cash and cash equivalents	(3,080)	(680)
<b>CASH AND CASH EQUIVALENTS</b>		
Net decrease in cash and cash equivalents	(6,820)	(15,286)
Cash and cash equivalents, beginning of period	127,971	106,021
Cash and cash equivalents, end of period	\$ 121,151	\$ 90,735

The accompanying notes are an integral part of these condensed consolidated financial statements.

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****1. BASIS OF PRESENTATION**

The condensed consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q, which include our accounts and those of our subsidiaries in which we have a controlling interest, should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 (the “2024 Annual Report”). The condensed consolidated balance sheet as of June 30, 2024 was derived from the audited balance sheet included in our 2024 Annual Report. The interim statements are unaudited; however, we believe that all adjustments necessary for a fair statement of the results of the interim periods were made and all adjustments are normal recurring adjustments. The results for the six months ended December 31, 2024 are not necessarily indicative of the results to be expected for a full fiscal year. Unless otherwise specified, any reference to a “year” is to a fiscal year ended June 30. For example, a reference to 2025 is to the fiscal year ending June 30, 2025. When used in this Quarterly Report on Form 10-Q, unless the context requires otherwise, the terms “the Company,” “we,” “our” and “us” refer to Kennametal Inc. and its subsidiaries.

**2. SUPPLEMENTAL CASH FLOW DISCLOSURES**

(in thousands)	Six Months Ended December 31,	
	2024	2023
<b>Cash paid during the period for:</b>		
Interest	\$ 12,383	\$ 13,305
Income taxes	17,130	24,506
<b>Supplemental disclosure of non-cash information:</b>		
Changes in accounts payable related to purchases of property, plant and equipment	166	(4,466)

**3. SUPPLIER FINANCE PROGRAM**

We have a supplier finance program managed through two global financial institutions under which we agree to pay the financial institutions the stated amount of confirmed invoices from our participating suppliers on the invoice due date. We, or the global financial institutions, may terminate our agreements at any time upon 30 days written notice. We do not provide any forms of guarantees under these agreements. Supplier participation in the program is solely up to the supplier. We have no economic interest in a supplier’s decision to participate in the program, and their participation has no bearing on our payment terms or amounts due. The payment terms that we have with our suppliers under this program are considered commercially reasonable. As of December 31, 2024 and June 30, 2024, the obligations outstanding that the Company has confirmed as valid to the financial institutions under the program were \$17.8 million and \$26.1 million, respectively, and were recorded within trade accounts payable.

**4. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy consists of three levels to prioritize the inputs used in valuations, as defined below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs that are unobservable.

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

As of December 31, 2024, the fair values of our financial assets and financial liabilities are categorized as follows:

(in thousands)	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 1,476	\$ —	\$ 1,476
<b>Total assets at fair value</b>	<b>\$ —</b>	<b>\$ 1,476</b>	<b>\$ —</b>	<b>\$ 1,476</b>
<b>Liabilities:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 27	\$ —	\$ 27
<b>Total liabilities at fair value</b>	<b>\$ —</b>	<b>\$ 27</b>	<b>\$ —</b>	<b>\$ 27</b>

As of June 30, 2024, the fair values of our financial assets and financial liabilities are categorized as follows:

(in thousands)	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 91	\$ —	\$ 91
<b>Total assets at fair value</b>	<b>\$ —</b>	<b>\$ 91</b>	<b>\$ —</b>	<b>\$ 91</b>
<b>Liabilities:</b>				
Derivatives <sup>(1)</sup>	\$ —	\$ 89	\$ —	\$ 89
<b>Total liabilities at fair value</b>	<b>\$ —</b>	<b>\$ 89</b>	<b>\$ —</b>	<b>\$ 89</b>

<sup>(1)</sup> Currency derivatives are valued based on observable market spot and forward rates and are classified within Level 2 of the fair value hierarchy.

There have been no changes in classification and transfers between levels in the fair value hierarchy in the current period.

## 5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

As part of our financial risk management program, we use certain derivative financial instruments. We do not enter into derivative transactions for speculative purposes and, therefore, we do not hold any derivative instruments for trading purposes. We account for derivative instruments as a hedge of the related asset, liability, firm commitment or anticipated transaction, when the derivative is specifically designated and qualifies as a hedge of such items. Our objective in managing foreign exchange exposures with derivative instruments is to reduce volatility in cash flow. We measure hedge effectiveness by assessing the changes in the fair value or expected future cash flows of the hedged item.

The fair value of derivatives designated and not designated as hedging instruments in the condensed consolidated balance sheets are as follows:

(in thousands)	December 31, 2024	June 30, 2024
<b>Derivatives designated as hedging instruments</b>		
Other current assets - range forward contracts	\$ 1,472	\$ 43
<b>Total derivatives designated as hedging instruments</b>	<b>1,472</b>	<b>43</b>
<b>Derivatives not designated as hedging instruments</b>		
Other current assets - currency forward contracts	\$ 4	\$ 48
Other current liabilities - currency forward contracts	(27)	(89)
<b>Total derivatives not designated as hedging instruments</b>	<b>(23)</b>	<b>(41)</b>
<b>Total derivatives</b>	<b>\$ 1,449</b>	<b>\$ 2</b>

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Certain currency forward contracts that hedge significant cross-border intercompany loans are considered as other derivatives and therefore do not qualify for hedge accounting. These contracts are recorded at fair value in the condensed consolidated balance sheets, with the offset to other income, net. Losses (gains) related to derivatives not designated as hedging instruments have been recognized as follows:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Other income, net - currency forward contracts	\$ 2	\$ (93)	\$ (12)	\$ 29

**CASH FLOW HEDGES**

Range forward contracts (a transaction where both a put option is purchased and a call option is sold) are designated as cash flow hedges and hedge anticipated cash flows from cross-border intercompany sales of products and services. Gains and losses realized on these contracts are recorded in accumulated other comprehensive loss and are recognized as a component of cost of goods sold when the underlying sale of products or services is recognized into earnings. The notional amount of the contracts translated into U.S. dollars at December 31, 2024 and June 30, 2024 was \$35.3 million and \$6.4 million, respectively. The time value component of the fair value of range forward contracts is excluded from the assessment of hedge effectiveness.

The following represents gains (losses), net of tax, related to cash flow hedges:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Unrealized gain (loss) recognized in other comprehensive income	\$ 1,169	\$ (59)	\$ 1,085	\$ (59)

No portion of the gains or losses recognized in earnings was due to ineffectiveness and no amounts were excluded from our effectiveness testing for the three and six months ended December 31, 2024 and 2023.

**NET INVESTMENT HEDGES**

As of December 31, 2024, we had certain foreign currency-denominated intercompany loans payable with total aggregate principal amounts of ¥391.7 million and €50.7 million, designated as net investment hedges to hedge the foreign exchange exposure of our net investment in our China-based and Euro-based subsidiaries, respectively. As of June 30, 2024, we had ¥279.7 million foreign currency-denominated intercompany loans payable designated as net investment hedges to hedge the foreign exchange exposure of our net investment in our China-based subsidiaries. A gain of \$0.6 million and a loss of \$0.3 million were recorded as a component of foreign currency translation adjustments in other comprehensive (loss) income for the three months ended December 31, 2024 and 2023, respectively. A gain of \$0.6 million and a loss of \$0.3 million were recorded as a component of foreign currency translation adjustments in other comprehensive (loss) income for the six months ended December 31, 2024 and 2023, respectively.

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

As of December 31, 2024, the foreign currency-denominated intercompany loans payable designated as net investment hedges consisted of:

Instrument		Notional (CNY and EUR in thousands) <sup>(2)</sup>		Notional (USD in thousands) <sup>(2)</sup>	Maturity
Foreign currency-denominated intercompany loan payable	¥	111,632	\$	15,294	February 2025
Foreign currency-denominated intercompany loan payable	¥	59,105	\$	8,097	April 2025
Foreign currency-denominated intercompany loan payable	€	7,093	\$	7,366	June 2025
Foreign currency-denominated intercompany loan payable	€	12,515	\$	12,999	June 2025
Foreign currency-denominated intercompany loan payable	€	14,060	\$	14,603	June 2025
Foreign currency-denominated intercompany loan payable	€	17,018	\$	17,675	June 2025
Foreign currency-denominated intercompany loan payable	¥	93,252	\$	12,776	August 2025
Foreign currency-denominated intercompany loan payable	¥	127,730	\$	17,499	October 2025

<sup>(2)</sup> Includes principal and accrued interest.

## 6. RESTRUCTURING AND OTHER CHARGES, NET

In the June quarter of fiscal 2023, we announced an initiative to streamline our cost structure. Total restructuring and related charges for this program of \$22.0 million, compared to a target of approximately \$25 million, were recorded through December 31, 2024, consisting of \$16.6 million in Metal Cutting and \$5.5 million in Infrastructure. This action is considered substantially complete as of December 31, 2024.

In January 2025, subsequent to the December quarter-end, the Company announced that it has initiated several actions that support the long-term competitiveness of the Company and align with the Investor Day commitments the Company made on September 8, 2023, including three to five plant closures by the end of fiscal 2027.

Within the Metal Cutting segment, the Company intends to close a facility in Greenfield, MA and consolidate two facilities near Barcelona, Spain into a single, modern facility. Subject to negotiations with local employee representatives, the operations in Greenfield, MA are expected to cease in April 2025 and the plant closure is expected to be substantially complete by December 31, 2025. The consolidation of the Barcelona, Spain facilities is expected to be substantially complete by June 30, 2025.

Additionally, to mitigate softer market conditions, especially in EMEA, the Company has initiated a global action to reduce structural costs by removing certain professional headcount.

The Company expects to incur pre-tax charges of approximately \$25 million in connection with the execution of these actions; of which approximately \$10 million is for cash-related facilities charges, approximately \$10 million is for severance-related cash expenditures and approximately \$5 million is for non-cash facilities charges.

We recorded restructuring and related charges of \$1.4 million for the three months ended December 31, 2024, which consisted of \$1.2 million in Metal Cutting and \$0.2 million in Infrastructure. We recorded restructuring and related charges of \$2.0 million for the six months ended December 31, 2024, which consisted of \$1.8 million in Metal Cutting and \$0.2 million in Infrastructure.

We recorded restructuring and related charges of \$1.0 million for the three months ended December 31, 2023, which consisted of \$0.7 million in Metal Cutting and \$0.3 million in Infrastructure. We recorded restructuring and related charges of \$4.7 million for the six months ended December 31, 2023, which consisted of \$3.2 million in Metal Cutting and \$1.5 million in Infrastructure. Also included in other charges, net during the six months ended December 31, 2023 is a net benefit of \$0.6 million primarily due to the sale of property.

**KENNAMETAL INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

As of December 31, 2024, \$5.7 million and \$2.8 million of the restructuring accrual was recorded in other current liabilities and other liabilities, respectively, in our condensed consolidated balance sheet. As of June 30, 2024, \$8.4 million and \$2.4 million of the restructuring accrual was recorded in other current liabilities and other liabilities, respectively. The amounts are as follows:

(in thousands)	June 30, 2024		Expense		Translation		Cash Expenditures		December 31, 2024	
Severance	\$	10,799	\$	1,946	\$	(158)	\$	(4,158)	\$	8,429
Total	\$	10,799	\$	1,946	\$	(158)	\$	(4,158)	\$	8,429

**7. STOCK-BASED COMPENSATION**
*Stock Options*

Changes in our stock options for the six months ended December 31, 2024 were as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, June 30, 2024	165,310	\$ 34.78		
Exercised	—	—		
Lapsed or forfeited	(63,363)	42.13		
Options outstanding, December 31, 2024	101,947	\$ 30.20	0.7	\$ 44
Options vested, December 31, 2024	101,947	\$ 30.20	0.7	\$ 44
Options exercisable, December 31, 2024	101,947	\$ 30.20	0.7	\$ 44

As of December 31, 2024 and June 30, 2024, there was no unrecognized compensation cost related to options outstanding, and all options were fully vested as of December 31, 2024 and June 30, 2024.

There was no cash received from the exercise of options during the six months ended December 31, 2024 and 2023. The total intrinsic value of options exercised during the six months ended December 31, 2024 and 2023 was zero.

*Restricted Stock Units – Performance Vesting and Time Vesting*

Changes in our performance vesting and time vesting restricted stock units for the six months ended December 31, 2024 were as follows:

	Performance Vesting Stock Units	Performance Vesting Weighted Average Fair Value	Time Vesting Stock Units	Time Vesting Weighted Average Fair Value
Unvested, June 30, 2024	552,461	\$ 28.73	1,122,569	\$ 27.36
Granted	303,546	25.15	735,220	25.10
Vested	(112,598)	36.72	(512,196)	28.69
Performance metric adjustments, net	(107,780)	32.98	—	—
Forfeited	(33,631)	26.13	(57,508)	25.83
Unvested, December 31, 2024	601,998	\$ 24.81	1,288,085	\$ 25.61

During the six months ended December 31, 2024 and 2023, compensation expense related to time vesting and performance vesting restricted stock units was \$12.3 million and \$14.0 million, respectively. Performance vesting stock units were adjusted by 107,780 units during the six months ended December 31, 2024 related to the fiscal 2024 performance year. As of December 31, 2024, the total unrecognized compensation cost related to unvested time vesting and performance vesting restricted stock units was \$31.6 million and is expected to be recognized over a weighted average period of 1.9 years.

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
**8. PENSION AND OTHER POSTRETIREMENT BENEFITS**

The table below summarizes the components of net periodic pension expense (income):

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Service cost	\$ 229	\$ 293	\$ 457	\$ 590
Interest cost	8,514	8,857	17,019	17,764
Expected return on plan assets	(10,673)	(11,125)	(21,335)	(22,286)
Amortization of transition obligation	—	19	—	38
Amortization of prior service credit	(2)	(1)	(5)	(2)
Recognition of actuarial loss	2,107	1,428	4,210	2,872
Settlement	—	—	836	—
Net periodic pension expense (income)	\$ 175	\$ (529)	\$ 1,182	\$ (1,024)

During the fiscal 2025 September quarter, the Company completed the wind-up of its Canadian defined benefit pension plans and recorded a settlement charge of \$0.8 million.

The table below summarizes the components of net periodic other postretirement benefit cost:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Interest cost	\$ 98	\$ 106	\$ 196	\$ 212
Amortization of prior service credit	(63)	(63)	(127)	(127)
Recognition of actuarial loss	34	35	70	71
Net periodic other postretirement benefit cost	\$ 69	\$ 78	\$ 139	\$ 156

The service cost component of net periodic pension expense (income) is reported as a component of cost of goods sold and operating expense. All other components of net periodic pension expense (income) and net periodic other postretirement benefit cost are reported as a component of other income, net.

**9. INVENTORIES**

We used the last-in, first-out (LIFO) method of valuing inventories for 34 percent and 33 percent of total inventories at December 31, 2024 and June 30, 2024, respectively. Inventory valuations under the LIFO method are based on an annual determination of quantities and costs as of June 30 of each year; therefore, the interim LIFO valuations are based on our projections of expected year-end inventory levels and costs and are subject to any final year-end LIFO inventory adjustments.

Inventories consisted of the following:

(in thousands)	December 31, 2024	June 30, 2024
Finished goods	\$ 312,511	\$ 310,965
Work in process and powder blends	228,177	216,203
Raw materials	88,077	77,050
Inventories at current cost	628,765	604,218
Less: LIFO valuation	(92,131)	(89,586)
Total inventories	\$ 536,634	\$ 514,632

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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**10. LONG-TERM DEBT**

Fixed rate debt had a fair market value of \$554.5 million and \$545.9 million at December 31, 2024 and June 30, 2024, respectively. The Level 2 fair value is determined based on the quoted market prices for similar debt instruments as of December 31, 2024 and June 30, 2024, respectively.

**11. REVOLVING AND OTHER LINES OF CREDIT AND NOTES PAYABLE**

During fiscal 2022, we entered into the Sixth Amended and Restated Credit Agreement dated as of June 14, 2022 (the Credit Agreement). The Credit Agreement is a five-year, multi-currency, revolving credit facility, which we use to augment cash from operations and as an additional source of funds. The Credit Agreement provides for revolving credit loans of up to \$700.0 million for working capital, capital expenditures and general corporate purposes. The Credit Agreement allows for borrowings in U.S. dollars, euros, pounds sterling and Japanese yen. Interest payable under the Credit Agreement is based upon the type of borrowing under the facility and may be (1) Euro Interbank Offered Rate (EURIBOR), Sterling Overnight Index Average (SONIA), Tokyo Interbank Offered Rate (TIBOR) and Secured Overnight Financing Rate (SOFR) for any borrowings in euros, pounds sterling, yen, and U.S. dollars, respectively, plus an applicable margin, (2) the greater of the prime rate or the Federal Funds effective rate plus an applicable margin, or (3) fixed as negotiated by us. The Credit Agreement matures in June 2027.

The Credit Agreement requires us to comply with various restrictive and affirmative covenants, including one financial covenant: a maximum leverage ratio where debt, net of domestic cash in excess of \$25 million and sixty percent of the unrestricted cash held outside of the United States, must be less than or equal to 3.75 times trailing twelve months EBITDA, adjusted for certain non-cash expenses.

As of December 31, 2024, we were in compliance with all the covenants of the Credit Agreement, and there were no borrowings outstanding and \$700.0 million of additional availability. There were no borrowings outstanding as of June 30, 2024.

Borrowings on other lines of credit and notes payable were \$1.4 million and \$1.4 million at December 31, 2024 and June 30, 2024, respectively.

**12. ENVIRONMENTAL MATTERS**

The operation of our business has exposed us to certain liabilities and compliance costs related to environmental matters. We are involved in various environmental cleanup and remediation activities at certain sites associated with our current or former operations.

We establish and maintain accruals for estimated liabilities associated with certain environmental matters. At December 31, 2024, the balance of such accruals was \$10.8 million, of which \$1.4 million was current. At June 30, 2024, the balance was \$11.0 million, of which \$1.6 million was current.

We record a loss contingency when the available information indicates it is probable that we have incurred a liability and the amount of the loss is reasonably estimable. The likelihood of a loss with respect to a particular environmental matter is often difficult to predict, and determining a meaningful estimate of the loss or a range of loss may not be practicable based on information available. When a material loss contingency is probable but a reasonable estimate cannot be made, or when a material loss contingency is at least reasonably possible, disclosure is provided. The accruals we have established for estimated environmental liabilities represent our best current estimate of the probable and reasonably estimable costs of addressing identified environmental situations, based on our review of currently available evidence, and taking into consideration our prior experience in remediation and that of other companies, as well as public information released by the United States Environmental Protection Agency (USEPA), other governmental agencies and by the Potentially Responsible Party (PRP) groups in which we are participating. The accrued liabilities for all environmental concerns could change substantially due to factors such as the nature and extent of contamination, changes in remedial requirements, technological changes, discovery of new information, the financial strength of other PRPs, the identification of new PRPs and the involvement of and direction taken by the government or the courts on these matters.

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Among other environmental laws, we are subject to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), under which we have been identified by the USEPA or other third party as a PRP with respect to environmental remedial costs at certain Superfund sites. We have evaluated our claims and estimated liability associated with these sites based upon the best information currently available to us. We believe our environmental accruals are adequate to cover our portion of the environmental remedial costs at the sites where we have been designated a PRP, to the extent these expenses are probable and reasonably estimable.

**13. INCOME TAXES**

The effective income tax rates for the three months ended December 31, 2024 and 2023 were 29.4 percent (provision on income) and 9.0 percent (benefit on income), respectively. The year-over-year change is primarily due to a \$7.8 million benefit related to a tax rate change in Switzerland that was enacted during the three months ended December 31, 2023 and geographical mix, which were partially offset by a benefit for an advanced manufacturing production credit under the Inflation Reduction Act during the three months ended December 31, 2024.

The effective income tax rates for the six months ended December 31, 2024 and 2023 were 27.1 percent and 10.0 percent (both provisions on income), respectively. The year-over-year change is primarily due to a \$7.8 million benefit related to a tax rate change enacted in Switzerland, a \$6.2 million benefit associated with a change in unrecognized tax benefits and a \$2.9 million charge to settle tax litigation in Italy that were recorded during the six months ended December 31, 2023 and geographical mix, which were partially offset by a benefit of \$1.4 million due to interest received to resolve an income tax dispute in India and a benefit for an advanced manufacturing production credit under the Inflation Reduction Act during the six months ended December 31, 2024.

**14. EARNINGS PER SHARE**

Basic earnings per share is computed using the weighted average number of shares outstanding during the period, while diluted earnings per share is calculated to reflect the potential dilution that would occur related to the issuance of capital stock under stock option grants, performance awards and restricted stock units. The difference between basic and diluted earnings per share relates solely to the effect of capital stock options, performance awards and restricted stock units.

The following table provides the computation of diluted shares outstanding for the three and six months ended December 31, 2024 and 2023:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Weighted-average shares outstanding during the period	77,724	79,700	77,896	79,863
Add: Unexercised stock options and unvested restricted stock units	655	414	599	532
Number of shares on which diluted earnings per share is calculated	78,379	80,114	78,495	80,395
Unexercised stock options with an exercise price greater than the average market price and restricted stock units not included in the computation because they were anti-dilutive	96	588	168	472

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

## 15. EQUITY

A summary of the changes in the carrying amounts of total equity, Kennametal Shareholders' equity and equity attributable to noncontrolling interests for the three months ended December 31, 2024 and 2023 is as follows:

(in thousands, except per share amounts)	Kennametal Shareholders' Equity				Non-controlling interests	Total equity
	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		
Balance as of September 30, 2024	\$ 97,145	\$ 403,975	\$ 1,177,023	\$ (400,970)	\$ 40,790	\$ 1,317,963
Net income	—	—	17,928	—	1,109	19,037
Other comprehensive loss	—	—	—	(49,490)	(1,778)	(51,268)
Dividend reinvestment	2	40	—	—	—	42
Capital stock issued under employee benefit and stock plans <sup>(3)</sup>	172	4,753	—	—	—	4,925
Purchase of capital stock	(658)	(14,374)	—	—	—	(15,032)
Cash dividends (\$0.20 per share)	—	—	(15,566)	—	—	(15,566)
Total equity, December 31, 2024	\$ 96,661	\$ 394,394	\$ 1,179,385	\$ (450,460)	\$ 40,121	\$ 1,260,101

(in thousands, except per share amounts)	Kennametal Shareholders' Equity				Non-controlling interests	Total equity
	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		
Balance as of September 30, 2023	\$ 99,773	\$ 453,385	\$ 1,138,712	\$ (431,512)	\$ 38,393	\$ 1,298,751
Net income	—	—	23,108	—	1,220	24,328
Other comprehensive income	—	—	—	30,191	668	30,859
Dividend reinvestment	2	43	—	—	—	45
Capital stock issued under employee benefit and stock plans <sup>(3)</sup>	80	4,979	—	—	—	5,059
Purchase of capital stock	(784)	(14,245)	—	—	—	(15,029)
Cash dividends (\$0.20 per share)	—	—	(15,909)	—	—	(15,909)
Total equity, December 31, 2023	\$ 99,071	\$ 444,162	\$ 1,145,911	\$ (401,321)	\$ 40,281	\$ 1,328,104

**KENNAMETAL INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

A summary of the changes in the carrying amounts of total equity, Kennametal Shareholders' equity and equity attributable to noncontrolling interests for the six months ended December 31, 2024 and 2023 is as follows:

(in thousands, except per share amounts)	Kennametal Shareholders' Equity				Non-controlling interests	Total equity
	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		
Balance as of June 30, 2024	\$ 97,361	\$ 416,620	\$ 1,170,482	\$ (434,588)	\$ 38,724	\$ 1,288,599
Net income	—	—	40,051	—	2,452	42,503
Other comprehensive loss	—	—	—	(15,872)	(1,055)	(16,927)
Dividend reinvestment	4	81	—	—	—	85
Capital stock issued under employee benefit and stock plans <sup>(3)</sup>	705	6,346	—	—	—	7,051
Purchase of capital stock	(1,409)	(28,653)	—	—	—	(30,062)
Cash dividends (\$0.40 per share)	—	—	(31,148)	—	—	(31,148)
Total equity, December 31, 2024	\$ 96,661	\$ 394,394	\$ 1,179,385	\$ (450,460)	\$ 40,121	\$ 1,260,101

(in thousands, except per share amounts)	Kennametal Shareholders' Equity				Non-controlling interests	Total equity
	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		
Balance as of June 30, 2023	\$ 99,794	\$ 465,406	\$ 1,124,590	\$ (414,343)	\$ 38,721	\$ 1,314,168
Net income	—	—	53,165	—	1,532	54,697
Other comprehensive income	—	—	—	13,022	28	13,050
Dividend reinvestment	5	85	—	—	—	90
Capital stock issued under employee benefit and stock plans <sup>(3)</sup>	689	6,008	—	—	—	6,697
Purchase of capital stock	(1,417)	(27,337)	—	—	—	(28,754)
Cash dividends (\$0.40 per share)	—	—	(31,844)	—	—	(31,844)
Total equity, December 31, 2023	\$ 99,071	\$ 444,162	\$ 1,145,911	\$ (401,321)	\$ 40,281	\$ 1,328,104

<sup>(3)</sup> Net of restricted stock units delivered upon vesting to satisfy tax withholding requirements.

The amounts of comprehensive (loss) income attributable to Kennametal Shareholders and noncontrolling interests are disclosed in the condensed consolidated statements of comprehensive (loss) income.

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of, and changes in, accumulated other comprehensive loss (AOCL) were as follows, net of tax, for the six months ended December 31, 2024:

(in thousands)	Pension and other postretirement benefits	Currency translation adjustment	Derivatives	Total
Attributable to Kennametal:				
Balance, June 30, 2024	\$ (221,308)	\$ (216,263)	2,983 \$	(434,588)
Other comprehensive income (loss) before reclassifications	616	(20,905)	1,085	(19,204)
Amounts reclassified from AOCL	3,724	—	(392)	3,332
Net other comprehensive income (loss)	4,340	(20,905)	693	(15,872)
AOCL, December 31, 2024	\$ (216,968)	\$ (237,168)	3,676 \$	(450,460)
Attributable to noncontrolling interests:				
Balance, June 30, 2024	\$ —	\$ (8,680)	— \$	(8,680)
Other comprehensive loss before reclassifications	—	(1,055)	—	(1,055)
Net other comprehensive loss	—	(1,055)	—	(1,055)
AOCL, December 31, 2024	\$ —	\$ (9,735)	— \$	(9,735)

The components of, and changes in, AOCL were as follows, net of tax, for the six months ended December 31, 2023:

(in thousands)	Pension and other postretirement benefits	Currency translation adjustment	Derivatives	Total
Attributable to Kennametal:				
Balance, June 30, 2023	\$ (215,435)	\$ (202,641)	3,733 \$	(414,343)
Other comprehensive (loss) income before reclassifications	(235)	11,576	(59)	11,282
Amounts reclassified from AOCL	2,125	—	(385)	1,740
Net other comprehensive income (loss)	1,890	11,576	(444)	13,022
AOCL, December 31, 2023	\$ (213,545)	\$ (191,065)	3,289 \$	(401,321)
Attributable to noncontrolling interests:				
Balance, June 30, 2023	\$ —	\$ (8,139)	— \$	(8,139)
Other comprehensive income before reclassifications	—	28	—	28
Net other comprehensive income	—	28	—	28
AOCL, December 31, 2023	\$ —	\$ (8,111)	— \$	(8,111)

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Reclassifications out of AOCL for the three and six months ended December 31, 2024 and 2023 consisted of the following:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,		Affected line item in the Income Statement
	2024	2023	2024	2023	
<b>(Gain) loss on cash flow hedges:</b>					
Forward starting interest rate swaps	\$ (255)	\$ (255)	\$ (511)	\$ (511)	Interest expense
Currency exchange contracts	31	—	(8)	—	Cost of goods sold
Total before tax	(224)	(255)	(519)	(511)	
Tax impact	55	63	127	126	Provision for income taxes
Net of tax	\$ (169)	\$ (192)	\$ (392)	\$ (385)	
<b>Pension and other postretirement benefits:</b>					
Amortization of transition obligations	\$ —	\$ 19	\$ —	\$ 38	Other (income) expense, net
Amortization of prior service credit	(65)	(64)	(132)	(129)	Other (income) expense, net
Recognition of actuarial losses	2,141	1,463	4,280	2,943	Other (income) expense, net
Settlement	—	—	836	—	Other (income) expense, net
Total before tax	2,076	1,418	4,984	2,852	
Tax impact	(537)	(347)	(1,260)	(727)	Provision for income taxes
Net of tax	\$ 1,539	\$ 1,071	\$ 3,724	\$ 2,125	

The amount of income tax allocated to each component of other comprehensive (loss) income for the three months ended December 31, 2024 and 2023 were as follows:

(in thousands)	2024			2023		
	Pre-tax	Tax impact	Net of tax	Pre-tax	Tax impact	Net of tax
Unrealized gain (loss) on derivatives designated and qualified as cash flow hedges	\$ 1,548	\$ (379)	\$ 1,169	\$ (78)	\$ 19	\$ (59)
Reclassification of unrealized gain on derivatives designated and qualified as cash flow hedges	(224)	55	(169)	(255)	63	(192)
Unrecognized net pension and other postretirement benefit plans gain (loss)	4,313	(1,122)	3,191	(2,378)	626	(1,752)
Reclassification of net pension and other postretirement benefit plans loss	2,076	(537)	1,539	1,418	(347)	1,071
Foreign currency translation adjustments	(56,998)	—	(56,998)	31,681	110	31,791
Other comprehensive (loss) income	\$ (49,285)	\$ (1,983)	\$ (51,268)	\$ 30,388	\$ 471	\$ 30,859

**KENNAMETAL INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The amount of income tax allocated to each component of other comprehensive (loss) income for the six months ended December 31, 2024 and 2023 were as follows:

(in thousands)	2024			2023		
	Pre-tax	Tax impact	Net of tax	Pre-tax	Tax impact	Net of tax
Unrealized gain (loss) on derivatives designated and qualified as cash flow hedges	\$ 1,437	\$ (352)	\$ 1,085	\$ (78)	\$ 19	\$ (59)
Reclassification of unrealized gain on derivatives designated and qualified as cash flow hedges	(519)	127	(392)	(511)	126	(385)
Unrecognized net pension and other postretirement benefit plans gain (loss)	844	(228)	616	(331)	96	(235)
Reclassification of net pension and other postretirement benefit plans loss	4,984	(1,260)	3,724	2,852	(727)	2,125
Foreign currency translation adjustments	(21,960)	—	(21,960)	11,494	110	11,604
Other comprehensive (loss) income	\$ (15,214)	\$ (1,713)	\$ (16,927)	\$ 13,426	\$ (376)	\$ 13,050

**17. GOODWILL AND OTHER INTANGIBLE ASSETS**

A summary of the carrying amount of goodwill attributable to each segment, as well as the changes in such, is as follows:

(in thousands)	Metal Cutting	Infrastructure	Total
Gross goodwill	\$ 449,228	\$ 633,211	\$ 1,082,439
Accumulated impairment losses	(177,661)	(633,211)	(810,872)
Balance as of June 30, 2024	\$ 271,567	\$ —	\$ 271,567

**Activity for the six months ended December 31, 2024:**

Change in gross goodwill due to translation	(2,771)	—	(2,771)
Gross goodwill	446,457	633,211	1,079,668
Accumulated impairment losses	(177,661)	(633,211)	(810,872)
Balance as of December 31, 2024	\$ 268,796	\$ —	\$ 268,796

The components of our other intangible assets were as follows:

(in thousands)	Estimated Useful Life (in years)	December 31, 2024		June 30, 2024	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Technology-based and other	4 to 20	\$ 31,492	\$ (24,626)	\$ 31,715	\$ (24,476)
Customer-related	10 to 21	178,883	(123,088)	179,529	(120,091)
Unpatented technology	10 to 30	31,467	(27,968)	31,485	(27,130)
Trademarks	5 to 20	22,677	(13,122)	23,044	(12,655)
Total		\$ 264,519	\$ (188,804)	\$ 265,773	\$ (184,352)

**18. COMMITMENTS AND CONTINGENCIES**

On February 4, 2025, MachiningCloud filed a lawsuit against the Company in the Superior Court of the State of California alleging breach of a contract and other matters and is seeking more than \$330 million in damages. At this early stage of the litigation, no determination can be made with regard to the outcome of the litigation, including the probability of an unfavorable outcome. The Company intends to vigorously defend the action.

**KENNAMETAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

## 19. SEGMENT DATA

We operate in two reportable segments consisting of Metal Cutting and Infrastructure. Our reportable operating segments have been determined in accordance with our internal management structure, which is organized based on operating activities, the manner in which we organize segments for allocating resources, making operating decisions and assessing performance and the availability of separate financial results. We do not allocate certain corporate expenses related to executive retirement plans, our Board of Directors, strategic initiatives, and certain other costs and report them in Corporate. Our reportable operating segments do not represent the aggregation of two or more operating segments.

**METAL CUTTING** The Metal Cutting segment develops and manufactures high performance tooling and metal cutting products and services and offers an assortment of standard and custom metal cutting solutions to diverse end markets, including Aerospace & Defense, General Engineering, Energy and Transportation. The products include milling, hole making, turning, threading and toolmaking systems used in the manufacture of airframes, aero engines, trucks and automobiles, ships and various types of industrial equipment. We leverage advanced manufacturing capabilities in combination with varying levels of customization to solve our customers' toughest challenges and deliver improved productivity for a wide range of applications. Metal Cutting markets its products under the Kennametal<sup>®</sup>, WIDIA<sup>®</sup>, WIDIA Hanita<sup>®</sup> and WIDIA GTD<sup>®</sup> brands through its direct sales force, a network of independent and national distributors, integrated supplier channels and via the Internet. Application engineers and technicians are critical to the sales process and directly assist our customers with specified product design, selection, application and support.

**INFRASTRUCTURE** Our Infrastructure segment produces engineered tungsten carbide and ceramic components, earth-cutting tools, and advanced metallurgical powders, primarily for the Aerospace & Defense, Energy, Earthworks and General Engineering end markets. These wear-resistant products include compacts, nozzles, frac seats and custom components used in oil and gas and petrochemical industries; rod blanks and abrasive water jet nozzles for general industries; earth cutting tools and systems used in underground mining, trenching and foundation drilling and road milling; tungsten carbide powders for the oil and gas, aerospace and process industries; high temperature critical wear components, tungsten penetrators and armor solutions for aerospace and defense; and ceramics used by the packaging industry for metallization of films and papers. We combine deep metallurgical and engineering expertise with advanced manufacturing capabilities, such as 3D printing, to deliver solutions that drive improved productivity for our customers. Infrastructure markets its products primarily under the Kennametal<sup>®</sup> brand and sells through a direct sales force as well as through distributors.

Our sales and operating income by segment are as follows:

(in thousands)	Three Months Ended December		Six Months Ended December 31,	
	2024	31, 2023	2024	2023
<b>Sales:</b>				
Metal Cutting	\$ 297,785	\$ 311,445	\$ 594,686	\$ 619,675
Infrastructure	184,266	183,875	369,313	368,121
<b>Total sales</b>	<b>\$ 482,051</b>	<b>\$ 495,320</b>	<b>\$ 963,999</b>	<b>\$ 987,796</b>
<b>Operating income:</b>				
Metal Cutting	\$ 16,586	\$ 25,527	\$ 40,408	\$ 57,644
Infrastructure	15,612	3,236	28,347	16,880
Corporate	(531)	(284)	(1,062)	(927)
<b>Total operating income</b>	<b>31,667</b>	<b>28,479</b>	<b>67,693</b>	<b>73,597</b>
Interest expense	6,180	6,847	12,493	13,447
Other income, net	(1,477)	(687)	(3,136)	(597)
<b>Income before income taxes</b>	<b>\$ 26,964</b>	<b>\$ 22,319</b>	<b>\$ 58,336</b>	<b>\$ 60,747</b>

**KENNAMETAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The following table presents Kennametal's revenue disaggregated by geography:

(in percentages)	Three Months Ended					
	December 31, 2024			December 31, 2023		
	Metal Cutting	Infrastructure	Total Kennametal	Metal Cutting	Infrastructure	Total Kennametal
Americas	44%	56%	49%	43%	57%	48%
Europe, the Middle East and Africa (EMEA)	36	21	30	38	19	31
Asia Pacific	20	23	21	19	24	21

(in percentages)	Six Months Ended					
	December 31, 2024			December 31, 2023		
	Metal Cutting	Infrastructure	Total Kennametal	Metal Cutting	Infrastructure	Total Kennametal
Americas	45%	56%	49%	44%	58%	49%
Europe, the Middle East and Africa (EMEA)	36	21	30	37	19	31
Asia Pacific	19	23	21	19	23	20

The following tables presents Kennametal's revenue disaggregated by end market:

(in percentages)	Three Months Ended December 31, 2024		
	Metal Cutting	Infrastructure	Total Kennametal
General Engineering	54%	33%	46%
Transportation	26	—	16
Aerospace & Defense	13	9	11
Energy	7	24	14
Earthworks	—	34	13

(in percentages)	Three Months Ended December 31, 2023		
	Metal Cutting	Infrastructure	Total Kennametal
General Engineering	54%	34%	47%
Transportation	27	—	17
Aerospace & Defense	12	6	10
Energy	7	23	13
Earthworks	—	37	13

(in percentages)	Six Months Ended December 31, 2024		
	Metal Cutting	Infrastructure	Total Kennametal
General Engineering	54%	33%	46%
Transportation	26	—	16
Aerospace & Defense	13	9	11
Energy	7	23	13
Earthworks	—	35	14

## KENNAMETAL INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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(in percentages)	Six Months Ended December 31, 2023		
	Metal Cutting	Infrastructure	Total Kennametal
General Engineering	54%	34%	47%
Transportation	27	—	17
Aerospace & Defense	12	6	9
Energy	7	23	13
Earthworks	—	37	14

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**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)**

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**OVERVIEW**

Kennametal Inc. was founded based on a tungsten carbide technology breakthrough in 1938. The Company was incorporated in Pennsylvania in 1943 as a manufacturer of tungsten carbide metal cutting tooling and was listed on the New York Stock Exchange (NYSE) in 1967. With more than 85 years of materials expertise, the Company is a global industrial technology leader, helping customers across the Aerospace & Defense, Earthworks, Energy, General Engineering and Transportation industries manufacture with precision and efficiency. This expertise includes the development and application of tungsten carbides, ceramics, super-hard materials and solutions used in metal cutting and extreme wear applications to keep customers up and running longer against conditions such as corrosion and high temperatures.

Our standard and custom product offering spans metal cutting and wear applications including turning, milling, hole making, tooling systems and services, as well as specialized wear components and metallurgical powders. End users of the Company's metal cutting products include manufacturers engaged in a diverse array of industries including: the manufacturers of transportation vehicles and components, machine tools and light and heavy machinery; airframe and aerospace components; and energy-related components for the oil and gas industry, as well as power generation. The Company's wear and metallurgical powders are used by producers and suppliers in equipment-intensive operations such as road construction, mining, quarrying, oil and gas exploration, refining, production and supply, and for aerospace and defense.

Throughout MD&A, we refer to measures used by management to evaluate performance. We also refer to a number of financial measures that are not defined under accounting principles generally accepted in the United States of America (U.S. GAAP), including organic sales growth (decline), constant currency regional sales growth (decline) and constant currency end market sales growth (decline). We provide the definitions of these non-GAAP financial measures at the end of the MD&A section as well as details on the use and derivation of these financial measures.

Our sales of \$482.1 million for the three months ended December 31, 2024 decreased 3 percent from \$495.3 million in the prior year quarter, reflecting an organic sales decline of 6 percent, partially offset by a favorable business days effect of 3 percent.

Operating income for the three months ended December 31, 2024 was \$31.7 million compared to \$28.5 million in the prior year quarter. The year-over-year increase of \$3.2 million was primarily due to lower raw material costs, pricing, incremental year-over-year restructuring savings of approximately \$6 million, and within the Infrastructure segment, a net benefit of \$2 million consisting of insurance recoveries related to the tornado that struck the Rogers, Arkansas facility late in fiscal 2024 and an advanced manufacturing production credit under the Inflation Reduction Act of approximately \$2 million. These factors were partially offset by lower sales and production volumes and higher wages and general inflation.

Operating margin for the three months ended December 31, 2024 was 6.6 percent compared to 5.7 percent in the prior year quarter. The Metal Cutting and Infrastructure segments had operating margins of 5.6 percent and 8.5 percent, respectively, for the three months ended December 31, 2024.

Our business has been negatively affected by foreign currency exchange and inflationary headwinds. We have been able to partially mitigate the effects of inflation, foreign currency exchange challenges and other disruptions through price increases on our products. We cannot predict the ultimate effect of these issues on our business, operating results or financial condition, but we will continue to monitor macroeconomic conditions and attempt to mitigate the negative effect to the extent possible.

For the three months ended December 31, 2024, earnings per diluted share (EPS) was \$0.23 compared to EPS of \$0.29 in the prior year quarter. EPS for the three months ended December 31, 2024 was unfavorably affected by restructuring and related charges of \$0.01 per share and differences in annual projected tax rates of \$0.01 per share.

Net cash flow provided by operating activities was \$100.9 million during the six months ended December 31, 2024 compared to \$88.3 million during the prior year period. Capital expenditures were \$44.0 million and \$57.5 million during the six months ended December 31, 2024 and 2023, respectively. During the six months ended December 31, 2024, the Company returned \$61.2 million to shareholders through \$30.1 million in share repurchases and \$31.1 million in dividends. The Company has a long history of consistently paying dividends to shareholders since its listing on the New York Stock Exchange in 1967.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)**
**RESULTS OF CONTINUING OPERATIONS**

**SALES** Sales for the three months ended December 31, 2024 were \$482.1 million, a decrease of \$13.3 million, or 3 percent, from \$495.3 million in the prior year quarter, reflecting an organic sales decline of 6 percent, partially offset by a favorable business days effect of 3 percent.

Sales for the six months ended December 31, 2024 were \$964.0 million, a decrease of \$23.8 million, or 2 percent, from \$987.8 million in the prior year period. The decrease in sales was driven by an organic sales decline of 4 percent, partially offset by a favorable business days effect of 2 percent.

Our sales growth (decline) by end market and region are as follows:

(in percentages)	Three Months Ended December 31, 2024		Six Months Ended December 31, 2024	
	As Reported	Constant Currency	As Reported	Constant Currency
<b>End market sales growth (decline):</b>				
Aerospace & Defense	14%	14%	13%	13%
Energy	1	1	1	1
General Engineering	(4)	(4)	(4)	(3)
Transportation	(9)	(9)	(7)	(5)
Earthworks	(6)	(7)	(6)	(6)
<b>Regional sales decline:</b>				
Americas	(2)%	—%	(3)%	(1)%
Europe, the Middle East and Africa (EMEA)	(5)	(7)	(3)	(4)
Asia Pacific	(2)	(3)	—	(1)

**GROSS PROFIT** Gross profit for the three months ended December 31, 2024 was \$145.0 million, an increase of \$5.4 million from \$139.6 million in the prior year quarter. The increase was primarily due to lower raw material costs, pricing, and within the Infrastructure segment, a net benefit of \$2 million consisting of insurance recoveries related to the tornado that struck the Rogers, Arkansas facility late in fiscal 2024 and an advanced manufacturing production credit under the Inflation Reduction Act of approximately \$2 million. These factors were partially offset by lower sales and production volumes and higher wages and general inflation. Gross profit margin for the three months ended December 31, 2024 was 30.1 percent, as compared to 28.2 percent in the prior year quarter.

Gross profit for the six months ended December 31, 2024 was \$296.0 million, a decrease of \$6.5 million from \$302.5 million in the prior year period. The decrease was primarily due to lower sales and production volumes and higher wages and general inflation. These factors were partially offset by lower raw material costs, pricing, and within the Infrastructure segment, a net benefit of \$6 million from insurance recoveries and an advanced manufacturing production credit under the Inflation Reduction Act of approximately \$3 million. Gross profit margin for the six months ended December 31, 2024 was 30.7 percent, as compared to 30.6 percent in the prior year period.

**OPERATING EXPENSE** Operating expense for the three months ended December 31, 2024 was \$109.3 million compared to \$107.3 million for the three months ended December 31, 2023. Operating expense for the six months ended December 31, 2024 was \$221.0 million compared to \$219.0 million for the six months ended December 31, 2023.

Research and development expenses included in operating expense totaled \$11.0 million and \$11.0 million for the three months ended December 31, 2024 and 2023, respectively, and \$22.1 million and \$22.0 million for the six months ended December 31, 2024 and 2023, respectively.

**RESTRUCTURING AND OTHER CHARGES, NET** In the June quarter of fiscal 2023, we announced an initiative to streamline our cost structure. Total restructuring and related charges for this program of \$22.0 million, compared to a target of approximately \$25 million, were recorded through December 31, 2024, consisting of \$16.6 million in Metal Cutting and \$5.5 million in Infrastructure. This action is considered substantially complete as of December 31, 2024.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

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In January 2025, subsequent to the December quarter-end, the Company announced that it has initiated several actions that support the long-term competitiveness of the Company and align with the Investor Day commitments the Company made on September 8, 2023, including three to five plant closures by the end of fiscal 2027.

Within the Metal Cutting segment, the Company intends to close a facility in Greenfield, MA and consolidate two facilities near Barcelona, Spain into a single, modern facility. Subject to negotiations with local employee representatives, the operations in Greenfield, MA are expected to cease in April 2025 and the plant closure is expected to be substantially complete by December 31, 2025. The consolidation of the Barcelona, Spain facilities is expected to be substantially complete by June 30, 2025.

Additionally, to mitigate softer market conditions, especially in EMEA, the Company has initiated a global action to reduce structural costs by removing certain professional headcount.

These combined actions are currently expected to deliver annualized run rate pre-tax savings of approximately \$15 million by the end of fiscal 2025. The Company expects to incur pre-tax charges of approximately \$25 million in connection with the execution of these actions; of which approximately \$10 million is for cash-related facilities charges, approximately \$10 million is for severance-related cash expenditures and approximately \$5 million is for non-cash facilities charges.

We recorded restructuring and related charges of \$1.4 million for the three months ended December 31, 2024, which consisted of \$1.2 million in Metal Cutting and \$0.2 million in Infrastructure. We recorded restructuring and related charges of \$2.0 million for the six months ended December 31, 2024, which consisted of \$1.8 million in Metal Cutting and \$0.2 million in Infrastructure.

**INTEREST EXPENSE** Interest expense for the three months ended December 31, 2024 decreased to \$6.2 million compared to \$6.8 million for the three months ended December 31, 2023. Interest expense for the six months ended December 31, 2024 decreased to \$12.5 million compared to \$13.4 million for the six months ended December 31, 2023. The decrease in interest expense is due primarily to decreased amounts outstanding under the Credit Agreement.

**OTHER INCOME, NET** Other income, net for the three months ended December 31, 2024 was \$1.5 million compared to \$0.7 million during the three months ended December 31, 2023. Other income, net for the six months ended December 31, 2024 was \$3.1 million compared to \$0.6 million during the six months ended December 31, 2023. The increase in other income was primarily due to insurance recoveries of approximately \$1 million related to a litigation settlement in fiscal 2023, partially offset by higher net periodic pension expense, including a settlement charge of \$0.8 million due to the wind-up of the Canadian defined benefit pension plans during the six months ended December 31, 2024.

**PROVISION FOR INCOME TAXES** The effective income tax rates for the three months ended December 31, 2024 and 2023 were 29.4 percent (provision on income) and 9.0 percent (benefit on income), respectively. The year-over-year change is primarily due to a \$7.8 million benefit related to a tax rate change in Switzerland that was enacted during the three months ended December 31, 2023 and geographical mix, which were partially offset by a benefit for an advanced manufacturing production credit under the Inflation Reduction Act during the three months ended December 31, 2024.

The effective income tax rates for the six months ended December 31, 2024 and 2023 were 27.1 percent and 10.0 percent (both provisions on income), respectively. The year-over-year change is primarily due to a \$7.8 million benefit related to a tax rate change enacted in Switzerland, a \$6.2 million benefit associated with a change in unrecognized tax benefits and a \$2.9 million charge to settle tax litigation in Italy that were recorded during the six months ended December 31, 2023 and geographical mix, which were partially offset by a benefit of \$1.4 million due to interest received to resolve an income tax dispute in India and a benefit for an advanced manufacturing production credit under the Inflation Reduction Act during the six months ended December 31, 2024.

**BUSINESS SEGMENT REVIEW**

We operate in two reportable segments consisting of Metal Cutting and Infrastructure. Our reportable operating segments have been determined in accordance with our internal management structure, which is organized based on operating activities, the manner in which we organize segments for allocating resources, making operating decisions and assessing performance and the availability of separate financial results. We do not allocate certain corporate expenses related to executive retirement plans, our Board of Directors, strategic initiatives, and certain other costs and report them in Corporate. Our reportable operating segments do not represent the aggregation of two or more operating segments.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

Our sales and operating income by segment are as follows:

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
<b>Sales:</b>				
Metal Cutting	\$ 297,785	\$ 311,445	\$ 594,686	\$ 619,675
Infrastructure	184,266	183,875	369,313	368,121
<b>Total sales</b>	<b>\$ 482,051</b>	<b>\$ 495,320</b>	<b>\$ 963,999</b>	<b>\$ 987,796</b>
<b>Operating income:</b>				
Metal Cutting	\$ 16,586	\$ 25,527	\$ 40,408	\$ 57,644
Infrastructure	15,612	3,236	28,347	16,880
Corporate	(531)	(284)	(1,062)	(927)
<b>Total operating income</b>	<b>31,667</b>	<b>28,479</b>	<b>67,693</b>	<b>73,597</b>
Interest expense	6,180	6,847	12,493	13,447
Other income, net	(1,477)	(687)	(3,136)	(597)
<b>Income before income taxes</b>	<b>\$ 26,964</b>	<b>\$ 22,319</b>	<b>\$ 58,336</b>	<b>\$ 60,747</b>

**METAL CUTTING**

(in thousands, except operating margin)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Sales	\$ 297,785	\$ 311,445	\$ 594,686	\$ 619,675
Operating income	16,586	25,527	40,408	57,644
Operating margin	5.6 %	8.2 %	6.8 %	9.3 %

(in percentages)	Three Months Ended December 31, 2024	Six Months Ended December 31, 2024
Organic sales decline	(7)%	(5)%
Foreign currency exchange effect <sup>(1)</sup>	—	(1)
Business days effect <sup>(4)</sup>	3	2
<b>Sales decline</b>	<b>(4)%</b>	<b>(4)%</b>

(in percentages)	Three Months Ended December 31, 2024		Six Months Ended December 31, 2024	
	As Reported	Constant Currency	As Reported	Constant Currency
<b>End market sales growth (decline):</b>				
Aerospace & Defense	7%	7%	5%	6%
Energy	(1)	(1)	(1)	—
Transportation	(9)	(9)	(7)	(5)
General Engineering	(5)	(4)	(5)	(4)
<b>Regional sales (decline) growth:</b>				
Americas	(2)%	—%	(3)%	(1)%
EMEA	(9)	(10)	(8)	(8)
Asia Pacific	—	(1)	1	1

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**(CONTINUED)**

For the three months ended December 31, 2024, Metal Cutting sales decreased 4 percent compared to the prior year quarter. This was driven by an organic sales decline of 7 percent, partially offset by a favorable business days effect of 3 percent. Aerospace & Defense end market sales increased in the Americas and EMEA as a result of our focused execution on our growth initiatives, the effects of which were partially offset by a decline in Asia Pacific due to lower economic activity and certain production challenges at our OEM customers. Energy end market sales decreased in EMEA due to customer order timing, partially offset by an increase in the Americas. Sales in the General Engineering end market declined primarily in EMEA, due to lower economic activity. Transportation end market sales decreased in EMEA and, to a lesser extent, the Americas as a result of lower volumes and project activity.

On a regional basis, sales in the Americas declined primarily due to decreases in the General Engineering and Transportation end markets and unfavorable currency exchange, partially offset by an increase in the Aerospace & Defense end market. Sales decreased in EMEA as a result of the Transportation and General Engineering end markets, partially offset by the Aerospace & Defense end market. Sales in Asia Pacific were flat primarily due to lower economic activity, partially offset by favorable currency exchange.

For the three months ended December 31, 2024, Metal Cutting operating income was \$16.6 million compared to \$25.5 million in the prior year quarter. The decrease in operating income was primarily due to lower sales and production volumes and higher wages and general inflation. These factors were partially offset by pricing, lower raw material costs and incremental year-over-year restructuring savings of approximately \$4 million.

For the six months ended December 31, 2024, Metal Cutting sales decreased 4 percent compared to the prior year period. This was driven by an organic sales decline of 5 percent and an unfavorable foreign currency effect of 1 percent, partially offset by a favorable business days effect of 2 percent. Aerospace & Defense end market sales increased in EMEA and the Americas as a result of our focused execution on our growth initiatives, the effects of which were partially offset by a decline in Asia Pacific due to lower economic activity and certain production challenges at our OEM customers. Energy end market sales decreased primarily in Asia Pacific due to a decline in wind energy and unfavorable foreign currency exchange. Transportation end market sales decreased primarily in EMEA and the Americas resulting from lower volumes and project activity. General Engineering end market sales decreased primarily in EMEA and the Americas as a result of lower economic activity.

On a regional basis, sales in the Americas decreased primarily due to the General Engineering and Transportation end markets and unfavorable foreign currency exchange. Sales decreased in EMEA due to the General Engineering and Transportation end markets. Sales in Asia Pacific increased due to the Transportation end market.

For the six months ended December 31, 2024, Metal Cutting operating income was \$40.4 million compared to \$57.6 million in the prior year period. The decrease in operating income was primarily due to lower sales and production volumes and higher wages and general inflation. These factors were partially offset by lower raw material costs, incremental year-over-year restructuring savings of approximately \$9 million and pricing.

**INFRASTRUCTURE**

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Sales	\$ 184,266	\$ 183,875	\$ 369,313	\$ 368,121
Operating income	15,612	3,236	28,347	16,880
Operating margin	8.5 %	1.8 %	7.7 %	4.6 %

(in percentages)	Three Months Ended December 31, 2024	Six Months Ended December 31, 2024
Organic sales decline	(4)%	(1)%
Foreign currency exchange effect <sup>(1)</sup>	1	—
Business days effect <sup>(4)</sup>	3	1
Sales decline	—%	—%

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

(in percentages)	Three Months Ended December 31, 2024		Six Months Ended December 31, 2024	
	As Reported	Constant Currency	As Reported	Constant Currency
<b>End market sales growth (decline) :</b>				
Aerospace & Defense	37%	35%	39%	38%
Energy	2	2	2	2
General Engineering	(1)	(2)	(1)	(1)
Earthworks	(6)	(7)	(6)	(6)
<b>Regional sales (decline) growth:</b>				
Americas	(1)%	—%	(2)%	(2)%
EMEA	9	5	11	9
Asia Pacific	(5)	(6)	(2)	(3)

For the three months ended December 31, 2024, Infrastructure sales were flat from the prior year quarter, driven by a favorable business days effect of 3 percent and a favorable currency exchange effect of 1 percent, offset by an organic sales decline of 4 percent. Aerospace & Defense end market sales increased due to project timing and the execution of our growth initiatives. Energy end market sales increased in the Americas and Asia Pacific due to project timing, partially offset by lower global oil and gas activities as rig counts decreased year-over-year. Sales in the General Engineering end market decreased in EMEA due to declines in industrial activity year over year, partially offset by an increase in Asia Pacific from higher ceramics demand. Earthworks end market sales decreased in Asia Pacific due to lower customer capital investment from lower coal prices as well as order timing. Earthworks end market sales decreased in the Americas due to lower mining activity, including a customer mine closure, partially offset by an increase in sales in EMEA.

On a regional basis, sales in the Americas decreased due to a decline in the Earthworks end market from lower mining activity, including a customer mine closure and order timing, and unfavorable foreign currency exchange, partially offset by order timing in the Energy end market and execution of our growth initiatives in the Aerospace & Defense end market. Sales in EMEA increased in the Aerospace & Defense end market from order timing and execution of our strategic initiatives as well as higher Earthworks end market demand, partially offset by lower demand in the General Engineering and Energy end markets from declines in industrial activity year-over-year. Sales in Asia Pacific decreased due to a decline in underground mining from lower coal prices driving lower customer capital investment as well as order timing, partially offset by growth in the General Engineering and Energy end markets.

For the three months ended December 31, 2024, Infrastructure operating income was \$15.6 million compared to \$3.2 million in the prior year quarter. The increase in operating income was primarily due to the favorable timing of pricing compared to raw material costs, a net benefit of \$2 million from insurance recoveries related to the tornado that struck the Rogers, Arkansas facility late in fiscal 2024, an advanced manufacturing production credit under the Inflation Reduction Act of approximately \$2 million and incremental year-over-year restructuring savings of approximately \$2 million. These factors were partially offset by lower production volumes and higher wages and general inflation.

For the six months ended December 31, 2024, Infrastructure sales were flat from the prior year period, driven by an organic sales decline of 1 percent, offset by a favorable business days effect of 1 percent. Sales growth in the Aerospace & Defense end market reflects project timing and the execution of our growth initiatives. Energy end market sales increased in the Americas and Asia Pacific primarily due to project timing, partially offset by lower global oil and gas activities as rig counts decreased year-over-year. General engineering end market sales decreased in the Americas stemming from temporary plant shutdowns during the September quarter of fiscal 2025 and in EMEA due to declines in industrial activity year-over-year, the effects of which were partially offset by an increase in Asia Pacific. Earthworks end market sales decreased in the Americas due to lower mining activity, including a customer mine closure, and decreased in Asia Pacific due to lower customer capital investment from lower coal prices as well as order timing, the effects of which were partially offset by an increase in sales in EMEA.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)**

On a regional basis, sales in the Americas decreased due to a decline in the Earthworks end market driven by lower mining activity, including a customer mine closure and project order timing, and a decline in the General Engineering end market due to temporary plant shutdowns during the September quarter of fiscal 2025, partially offset by order timing and execution of strategic initiatives in the Aerospace & Defense and Energy end markets. Sales in EMEA increased in the Aerospace & Defense end market from order timing and execution of our strategic initiatives as well as higher Earthworks end market demand. Sales in Asia Pacific decreased due to a decline in underground mining from lower coal prices driving lower customer capital investment as well as order timing, partially offset by growth in the General Engineering and Energy end markets.

For the six months ended December 31, 2024, Infrastructure operating income was \$28.3 million compared to \$16.9 million in the prior year period. The increase in operating income was primarily due to the favorable timing of pricing compared to raw material costs, a net benefit of \$6 million from insurance recoveries related to the tornado that struck the Rogers, Arkansas facility late in fiscal 2024, an advanced manufacturing production credit under the Inflation Reduction Act of approximately \$3 million and incremental year-over-year restructuring savings of approximately \$3 million. These factors were partially offset by certain manufacturing costs in the September quarter of fiscal 2025, including temporary plant shutdowns for maintenance and process improvements, and higher wages and general inflation.

**CORPORATE**

(in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Corporate expense	\$ (531)	\$ (284)	\$ (1,062)	\$ (927)

For the three months ended December 31, 2024, Corporate expense increased by \$0.2 million from the prior year quarter. For the six months ended December 31, 2024, Corporate expense increased by \$0.1 million from the prior year period.

**LIQUIDITY AND CAPITAL RESOURCES**

Cash flow from operations is the primary source of funding for our capital expenditures. For the six months ended December 31, 2024, cash flow provided by operating activities was \$100.9 million.

During fiscal 2022, we entered into the Sixth Amended and Restated Credit Agreement dated as of June 14, 2022 (the Credit Agreement). The Credit Agreement is a five-year, multi-currency, revolving credit facility, which we use to augment cash from operations and as an additional source of funds. The Credit Agreement provides for revolving credit loans of up to \$700.0 million for working capital, capital expenditures and general corporate purposes. The Credit Agreement allows for borrowings in U.S. dollars, euros, pounds sterling and Japanese yen. Interest payable under the Credit Agreement is based upon the type of borrowing under the facility and may be (1) Euro Interbank Offered Rate (EURIBOR), Sterling Overnight Index Average (SONIA), Tokyo Interbank Offered Rate (TIBOR), and Secured Overnight Financing Rate (SOFR) for any borrowings in euros, pounds sterling, yen, and U.S. dollars, respectively, plus an applicable margin, (2) the greater of the prime rate or the Federal Funds effective rate plus an applicable margin, or (3) fixed as negotiated by us. The Credit Agreement matures in June 2027.

The Credit Agreement requires us to comply with various restrictive and affirmative covenants, including one financial covenant: a maximum leverage ratio where debt, net of domestic cash in excess of \$25 million and sixty percent of the unrestricted cash held outside of the United States, must be less than or equal to 3.75 times trailing twelve months EBITDA, adjusted for certain non-cash expenses.

As of December 31, 2024, we were in compliance with all the covenants of the Credit Agreement, and there were no borrowings outstanding and \$700.0 million of additional availability. There were no borrowings outstanding as of June 30, 2024.

We consider the majority of the unremitted earnings of our non-U.S. subsidiaries to be permanently reinvested. With regard to these unremitted earnings, we have not, nor do we anticipate the need to, repatriate funds to the U.S. to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements. With regard to the small portion of unremitted earnings that are not indefinitely reinvested, we maintain a deferred tax liability for foreign withholding and U.S. state income taxes.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

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At December 31, 2024, cash and cash equivalents were \$121.2 million. Total Kennametal shareholders' equity was \$1,220.0 million and total debt was \$597.8 million. Our current senior credit ratings are at investment grade levels. We believe that our current financial position, liquidity and credit ratings provide us access to the capital markets. We believe that we have sufficient resources available to meet cash requirements for the next 12 months. We continue to closely monitor our liquidity position and the condition of the capital markets, as well as the counterparty risk of our credit providers. There have been no material changes in our contractual obligations and commitments since June 30, 2024.

*Share Repurchase Program* In February 2024, the Board of Directors of the Company authorized the Company to purchase up to \$200 million of the Company's common stock over a three-year period. During the three and six months ended December 31, 2024, the Company repurchased \$15 million and \$30 million, respectively, of Kennametal common stock. Inception-to-date the Company has repurchased \$30 million of Kennametal common stock under the \$200 million three-year program.

*Dividends* During the six months ended December 31, 2024, the Company paid a total of \$31.1 million in dividends to Kennametal Shareholders.

*Cash Flow Provided by Operating Activities*

During the six months ended December 31, 2024, cash flow provided by operating activities was \$100.9 million, compared to \$88.3 million for the prior year period. Cash flow provided by operating activities for the current year period consisted of net income and non-cash items amounting to an inflow of \$118.7 million and changes in certain assets and liabilities netting to an outflow of \$17.8 million. Contributing to the changes in certain assets and liabilities were an increase in inventories of \$30.7 million and a decrease in accounts payable and accrued liabilities of \$27.2 million. Partially offsetting these cash outflows was a decrease in accounts receivable of \$43.2 million.

During the six months ended December 31, 2023, cash flow provided by operating activities was \$88.3 million and consisted of net income and non-cash items amounting to an inflow of \$143.3 million and changes in certain assets and liabilities netting to an outflow of \$55.0 million. Contributing to the changes in certain assets and liabilities were a decrease in accounts payable and accrued liabilities of \$36.2 million, a decrease in accrued income taxes of \$17.3 million and an increase in inventories of \$9.5 million. Partially offsetting these cash outflows was a decrease in accounts receivable of \$20.4 million.

*Cash Flow Used in Investing Activities*

Cash flow used in investing activities was \$36.6 million for the six months ended December 31, 2024, compared to \$56.4 million for the prior year period. During the current year period, cash flow used in investing activities included capital expenditures of \$44.0 million, which consisted primarily of equipment upgrades, partially offset by proceeds from insurance recoveries of \$7.2 million.

Cash flow used in investing activities was \$56.4 million for the six months ended December 31, 2023 and primarily included capital expenditures of \$57.5 million, which consisted primarily of equipment upgrades, and the acquisition of a business for \$4.0 million, partially offset by disposals of property, plant, and equipment of \$5.2 million.

*Cash Flow Used in Financing Activities*

Cash flow used in financing activities was \$68.0 million for the six months ended December 31, 2024 compared to \$46.5 million in the prior year period. During the current year period, cash flow used in financing activities primarily included \$31.1 million of cash dividends paid to Kennametal Shareholders, \$30.1 million in common shares repurchased and \$6.2 million of the effect of employee benefit and stock plans and dividend reinvestment.

Cash flow used in financing activities was \$46.5 million for the six months ended December 31, 2023 and primarily included \$31.8 million of cash dividends paid to Kennametal Shareholders, \$28.8 million in common shares repurchased, and \$7.9 million of the effect of employee benefit and stock plans and dividend reinvestment, partially offset by \$20.5 million of borrowings under the Credit Agreement and an increase in notes payable of \$2.1 million.

**FINANCIAL CONDITION**

Working capital was \$586.5 million at December 31, 2024, a decrease of \$0.1 million from \$586.6 million at June 30, 2024. The decrease in working capital was primarily driven by a decrease in accounts receivable of \$48.7 million, an increase in accounts payable of \$7.0 million and a decrease in cash and cash equivalents of \$6.8 million, partially offset by a decrease in other current liabilities of \$22.7 million, an increase in inventories of \$22.0 million, and a decrease of accrued expenses of \$15.0 million. Currency exchange rate effects decreased working capital by a total of approximately \$12 million.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

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Property, plant and equipment, net decreased \$27.9 million from \$938.1 million at June 30, 2024 to \$910.1 million at December 31, 2024, primarily due to depreciation expense of \$62.1 million and currency exchange effects of \$9 million, partially offset by net capital additions of \$43.6 million.

At December 31, 2024, total other assets were \$556.9 million, a decrease of \$6.2 million from \$563.1 million at June 30, 2024. The decrease was primarily due to currency exchange rate effects of approximately \$6 million, amortization of intangibles of \$5.4 million, a decrease in lease right-of-use assets of \$4.0 million, offset by an increase in other of \$7.0 million.

Kennametal Shareholders' equity was \$1,220.0 million at December 31, 2024, a decrease of \$29.9 million from \$1,249.9 million at June 30, 2024. The decrease was primarily due to cash dividends paid to Kennametal Shareholders of \$31.1 million, and the repurchase of capital stock of \$30.1 million primarily under the share repurchase program and other comprehensive loss attributable to Kennametal of \$15.9 million, partially offset by net income attributable to Kennametal of \$40.1 million, and capital stock issued under employee benefit and stock plans of \$7.1 million.

**DISCUSSION OF CRITICAL ACCOUNTING POLICIES**

There have been no changes to our critical accounting policies since June 30, 2024.

**RECONCILIATION OF FINANCIAL MEASURES NOT DEFINED BY U.S. GAAP**

In accordance with SEC rules, below are the definitions of the non-GAAP financial measures we use in this report and the reconciliation of these measures to the most closely related GAAP financial measures. We believe that these measures provide useful perspective on underlying business trends and results and provide a supplemental measure of year-over-year results. The non-GAAP financial measures described below are used by management in making operating decisions, allocating financial resources and for business strategy purposes. We believe these measures may be useful to investors as they provide supplemental information about business performance and provide investors a view of our business results through the eyes of management. These non-GAAP financial measures are not intended to be considered by the user in place of the related GAAP financial measure, but rather as supplemental information to our business results. These non-GAAP financial measures may not be the same as similar measures used by other companies due to possible differences in method and in the items or events being adjusted.

*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 effects of acquisitions, divestitures, business days and foreign currency exchange from year-over-year comparisons. We believe 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 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 effects of acquisitions, divestitures and foreign currency exchange from year-over-year comparisons. We note that, unlike organic sales growth, constant currency end market sales growth does not exclude the effect 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.

*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 effects of acquisitions, divestitures and foreign currency exchange from year-over-year comparisons. We note that, unlike organic sales growth, constant currency regional sales growth does not exclude the effect 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.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**

Reconciliations of organic sales decline to sales decline are as follows:

Three Months Ended December 31, 2024	Metal Cutting	Infrastructure	Total
Organic sales decline	(7)%	(4)%	(6)%
Foreign currency exchange effect <sup>(1)</sup>	—	1	—
Business days effect <sup>(4)</sup>	3	3	3
Sales decline	(4)%	—%	(3)%

Six Months Ended December 31, 2024	Metal Cutting	Infrastructure	Total
Organic sales decline	(5)%	(1)%	(4)%
Foreign currency exchange effect <sup>(1)</sup>	(1)	—	—
Business days effect <sup>(4)</sup>	2	1	2
Sales decline	(4)%	—%	(2)%

Reconciliations of constant currency end market sales (decline) growth to end market sales (decline) growth<sup>(2)</sup> are as follows:

*Metal Cutting*

Three Months Ended December 31, 2024	General Engineering	Transportation	Aerospace & Defense	Energy
Constant currency end market sales (decline) growth	(4)%	(9)%	7%	(1)%
Foreign currency exchange effect <sup>(1)</sup>	(1)	—	—	—
End market sales growth (decline) growth <sup>(2)</sup>	(5)%	(9)%	7%	(1)%

*Infrastructure*

Three Months Ended December 31, 2024	Energy	Earthworks	General Engineering	Aerospace & Defense
Constant currency end market sale growth (decline)	2%	(7)%	(2)%	35%
Foreign currency exchange effect <sup>(1)</sup>	—	1	1	2
End market sales growth (decline) <sup>(2)</sup>	2%	(6)%	(1)%	37%

*Total*

Three Months Ended December 31, 2024	General Engineering	Transportation	Aerospace & Defense	Energy	Earthworks
Constant currency end market sales (decline) growth	(4)%	(9)%	14%	1%	(7)%
Foreign currency exchange effect <sup>(1)</sup>	—	—	—	—	1
End market sales (decline) growth <sup>(2)</sup>	(4)%	(9)%	14%	1%	(6)%

*Metal Cutting*

Six Months Ended December 31, 2024	General Engineering	Transportation	Aerospace & Defense	Energy
Constant currency end market sales (decline) growth	(4)%	(5)%	6%	—%
Foreign currency exchange effect <sup>(1)</sup>	(1)	(2)	(1)	(1)
End market sales growth (decline) growth <sup>(2)</sup>	(5)%	(7)%	5%	(1)%

*Infrastructure*

Six Months Ended December 31, 2024	Energy	Earthworks	General Engineering	Aerospace & Defense
Constant currency end market sale growth (decline)	2%	(6)%	(1)%	38%
Foreign currency exchange effect <sup>(1)</sup>	—	—	—	1
End market sales growth (decline) <sup>(2)</sup>	2%	(6)%	(1)%	39%

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(CONTINUED)**
*Total*

Six Months Ended December 31, 2024	General Engineering	Transportation	Aerospace & Defense	Energy	Earthworks
Constant currency end market sales (decline) growth	(3)%	(5)%	13%	1%	(6)%
Foreign currency exchange effect <sup>(1)</sup>	(1)	(2)	—	—	—
End market sales (decline) growth <sup>(2)</sup>	(4)%	(7)%	13%	1%	(6)%

Reconciliations of constant currency regional sales (decline) growth to reported regional sales (decline) growth<sup>(3)</sup> are as follows:

	Three Months Ended December 31, 2024			Six Months Ended December 31, 2024		
	Americas	EMEA	Asia Pacific	Americas	EMEA	Asia Pacific
<i>Metal Cutting</i>						
Constant currency regional sales (decline) growth	—%	(10)%	(1)%	(1)%	(8)%	1%
Foreign currency exchange effect <sup>(1)</sup>	(2)	1	1	(2)	—	—
Regional sales (decline) growth <sup>(3)</sup>	(2)%	(9)%	—%	(3)%	(8)%	1%

*Infrastructure*

Constant currency regional sales (decline) growth	—%	5%	(6)%	(2)%	9%	(3)%
Foreign currency exchange effect <sup>(1)</sup>	(1)	4	1	—	2	1
Regional sales (decline) growth <sup>(3)</sup>	(1)%	9%	(5)%	(2)%	11%	(2)%

*Total*

Constant currency regional sales decline	—%	(7)%	(3)%	(1)%	(4)%	(1)%
Foreign currency exchange effect <sup>(1)</sup>	(2)	2	1	(2)	1	1
Regional sales decline <sup>(3)</sup>	(2)%	(5)%	(2)%	(3)%	(3)%	—%

<sup>(1)</sup> Foreign currency exchange effect is calculated by dividing the difference between current period sales and current period sales at prior period foreign exchange rates by prior period sales.

<sup>(2)</sup> Aggregate sales for all end markets sum to the sales amount presented on Kennametal's financial statements.

<sup>(3)</sup> Aggregate sales for all regions sum to the sales amount presented on Kennametal's financial statements.

<sup>(4)</sup> Business days effect 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.

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**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

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There have been no material changes to our market risk exposures since June 30, 2024.

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**ITEM 4. CONTROLS AND PROCEDURES**

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As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's management evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). The Company's disclosure controls were designed to provide a reasonable assurance that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. However, the controls have been designed to provide reasonable assurance of achieving the controls' stated goals. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance at December 31, 2024 that information required to be disclosed in the reports that we file or submit under the Exchange Act is (i) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and (ii) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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**ITEM 5. OTHER INFORMATION**

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*Rule 10b5-1 Trading Arrangements*

In the quarter ended December 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities, within the meaning of Item 408 of Regulation S-K.

**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

From time to time, we are party to legal claims and proceedings that arise in the ordinary course of business, which may relate to our operations or assets, including real, tangible or intellectual property assets. Although we currently believe that the amount of ultimate liability, if any, we may face with respect to these actions will not materially affect our financial position, results of operations or liquidity, the ultimate outcome of any litigation is uncertain. Were an unfavorable outcome to occur or if protracted litigation were to ensue, the effect on us could be material.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES****ISSUER PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(2)</sup>
October 1 through October 31, 2024	4,296	\$ 25.65	—	\$ 185,000,000
November 1 through November 30, 2024	313,056	29.01	305,000	176,100,000
December 1 through December 31, 2024	221,057	27.85	219,760	170,000,000
Total	538,409	\$ 28.50	524,760	

<sup>(1)</sup> During the current period, 1,450 shares were purchased on the open market on behalf of Kennametal to fund the Company's dividend reinvestment program. Also, during the current period employees delivered 12,199 shares of restricted stock to Kennametal, upon vesting, to satisfy tax withholding requirements.

<sup>(2)</sup> In February 2024, the Board of Directors of the Company authorized a \$200 million, three-year share repurchase program outside of the Company's dividend reinvestment program.

**UNREGISTERED SALES OF EQUITY SECURITIES**

None.

**ITEM 6. EXHIBITS**

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<b>31</b>	<b>Rule 13a-14(a)/15d-14(a) Certifications</b>	
31.1	<a href="#">Certification executed by Sanjay Chowbey, President and Chief Executive Officer of Kennametal Inc.</a>	Filed herewith.
31.2	<a href="#">Certification executed by Patrick S. Watson, Vice President and Chief Financial Officer of Kennametal Inc.</a>	Filed herewith.
<b>32</b>	<b>Section 1350 Certifications</b>	
32.1	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by Sanjay Chowbey, President and Chief Executive Officer of Kennametal Inc., and Patrick S. Watson, Vice President and Chief Financial Officer of Kennametal Inc.</a>	Filed herewith.
<b>101</b>	<b>XBRL</b>	
101.INS <sup>(3)</sup>	XBRL Instance Document	Filed herewith.
101.SCH <sup>(4)</sup>	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL <sup>(4)</sup>	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF <sup>(4)</sup>	XBRL Taxonomy Definition Linkbase	Filed herewith.
101.LAB <sup>(4)</sup>	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.PRE <sup>(4)</sup>	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.

(3) The instance document does not appear in the Interactive Data File because its XBRL (Extensible Business Reporting Language) tags are embedded within the Inline XBRL document.

(4) Attached as Exhibit 101 to this report are the following documents formatted in Inline XBRL: (i) the Condensed Consolidated Statements of Income for the three and six months ended December 31, 2024 and 2023, (ii) the Condensed Consolidated Statements of Comprehensive (Loss) Income for the three and six months ended December 31, 2024 and 2023, (iii) the Condensed Consolidated Balance Sheets at December 31, 2024 and June 30, 2024, (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended December 31, 2024 and 2023 and (v) Notes to Condensed Consolidated Financial Statements for the three and six months ended December 31, 2024 and 2023.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**KENNAMETAL INC.**

Date: February 7, 2025

By: /s/ John W. Witt  
John W. Witt  
Vice President Finance and Corporate Controller

I, Sanjay Chowbey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kennametal Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2025

/s/ Sanjay Chowbey

Sanjay Chowbey  
President and Chief Executive Officer

I, Patrick S. Watson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kennametal Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2025

/s/ Patrick S. Watson

Patrick S. Watson  
Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Kennametal Inc. (the "Corporation") on Form 10-Q for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Corporation certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Corporation.

/s/ Sanjay Chowbey

Sanjay Chowbey  
President and Chief Executive Officer

February 7, 2025

/s/ Patrick S. Watson

Patrick S. Watson  
Vice President and Chief Financial Officer

February 7, 2025

\*This certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.