

# FY23 Fourth Quarter Earnings Call Presentation

August 1, 2023



## Safe Harbor Statement

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

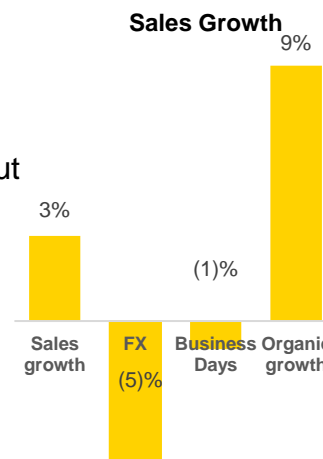
This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available on our website at [www.kennametal.com](http://www.kennametal.com).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

## Organic growth and strong free operating cash flow

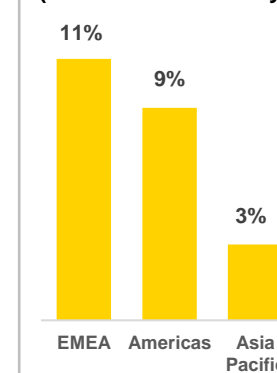
### Price and growth initiatives driving sales gains

- Growth in all regions**
  - EMEA – growth despite recession and energy cost concerns
  - Americas – growth across all end markets
  - Asia Pacific – growth in India moderated by slow recovery in China
- Strong growth in Aerospace and Defense<sup>1</sup> and Energy end markets**
  - Price and strategic initiatives driving growth

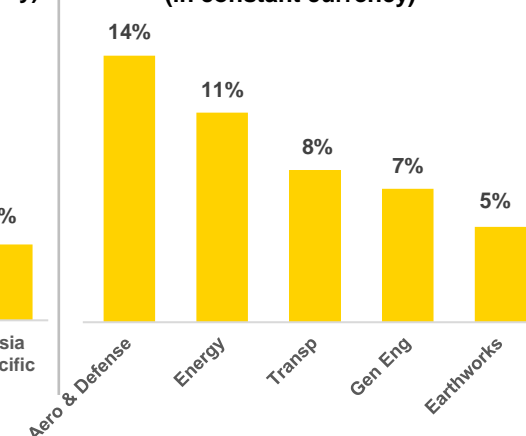
- Sales up YoY to \$2,078 million**
  - Organic growth in both Segments
  - Metal Cutting 10%, Infrastructure 7%
  - Foreign exchange headwinds throughout



Sales Growth by Region (in constant currency)



Sales Growth by End Market (in constant currency)



### Underlying operating performance masked by macroeconomic headwinds

- Adjusted EBITDA of \$323 million at 15.5% margin**
  - Macroeconomic headwinds of 190bps
    - Foreign exchange headwinds
    - Reduced pension income (non-cash)
    - Price mitigates raw material, wage and high general inflation

- Metal Cutting margins up YoY; leverage as expected
- Infrastructure margins decline YoY:
  - Under-absorption of \$10M from reducing safety stocks
  - Supply chain disruptions of \$5M

### Returned \$114M to shareholders

- \$49M million in share repurchases and \$65M dividends
- Free operating cash flow increased YoY to \$169M; strongest performance since 2015

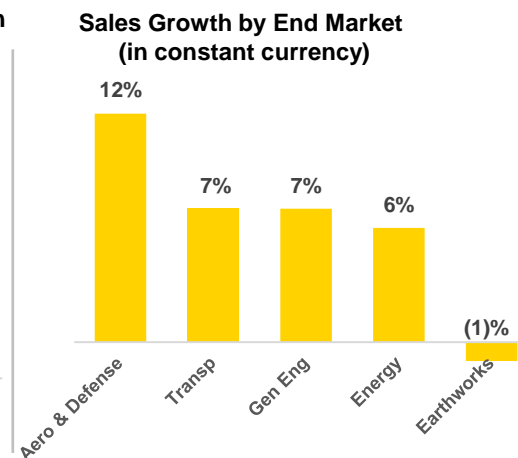
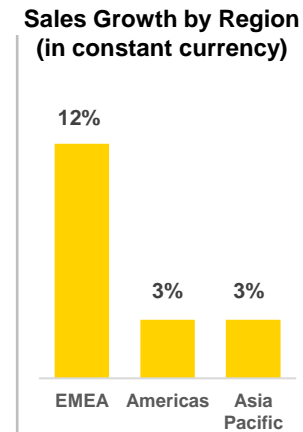
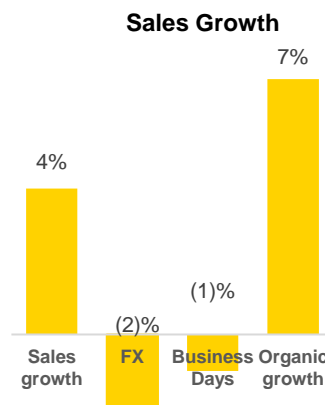
### Earnings per share: Adjusted EPS of \$1.52 versus \$1.78 prior year

<sup>1</sup> Reflects end market realignment see appendix slide 17

**Strong free operating cash flow as market conditions moderate**

**Price and strategic initiatives driving sales gains**

- **Sales of \$550M, up YoY**
  - Organic growth in both Segments
  - Metal Cutting 10%, Infrastructure 3%
  - Moderating YoY FX headwinds
- **Growth in all regions**
  - EMEA – strength driven by General Engineering and Transportation
  - Americas – growth Aerospace and Defense partially offset by Earthworks
  - Asia Pacific –slow recovery in China continues
- **Strong growth in Aerospace and Defense<sup>1</sup>**
  - Driven by continued focus on strategic initiatives



**Metal Cutting margin improvement offset by Infrastructure volume decline**

- **Adjusted EBITDA of \$92 million at 16.7% margin**
  - Macroeconomic factors:
    - Foreign exchange headwind eases
    - Price mitigates raw material, wage and general inflation
    - Reduced pension income (non-cash)

- Metal Cutting margins up YoY; leverage as expected
- Infrastructure margins decline YoY on lower volume

**Returned \$28M to shareholders**

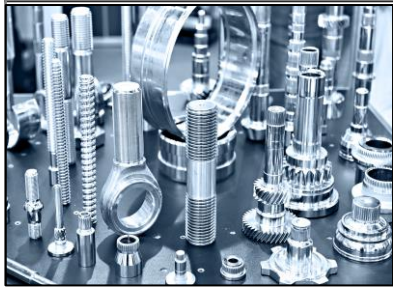
- \$12 million in share repurchases and \$16 million dividends
- Free operating cash flow of \$109M

**Earnings per share: Adjusted EPS of \$0.51 versus \$0.53 prior year**

<sup>1</sup> Reflects end market realignment see appendix slide 17

Investments in Commercial Excellence and Innovation driving share gain

Gen. Engineering



- Provided solution utilizing Widia and Kennametal tools to manufacture components for the medical and general engineering market
- Reduced customer costs 15% through application of high-performance and fit-for-purpose tools to meet varied technical needs

Aerospace



- Secured orders to provide tooling for the metal enclosure of aerospace sensors
- Reduced customer setup by 90%, greatly improving productivity

EV Engine



- Provided tooling for the manufacture of a new class of high-performance EV engine for a European OEM
- Won by demonstrating innovative machining concepts to improve productivity and ability to work across the value chain with machine tool builders and European OEM customer

Additive



- Secured an order to manufacture a complex-shaped, wear resistant component for an O&G application
- Won by leveraging proprietary additive manufacturing techniques along with development of a new material grade to meet stringent customer requirements

Mining



- Leveraged OEM relationship to provide improved cutting design that reduced fuel consumption of a customer's fleet of surface miners
- Increased our share of wallet by lowering customer's overall cost of operation

**Drill Fix PRO™ is a robust, cost-effective and versatile tool for EV and Aerospace applications**

**Cost-effective\*:**

Up to 200% better tool life from more cutting edges per inserts and optimized material

**Energy efficient\*:**

Up to 12% reduction in energy usage due to tool optimized cooling system design

**Robust\*:**

Up to 50% better rigidity to produce superior hole quality and less noise

**Versatile:**

Used across broad spectrum of materials and applications

**Application examples:**

Vehicle suspension parts (including EV platforms) and hi-temp alloy aerospace parts



\* Tool performance improvement as compared to benchmark competitor

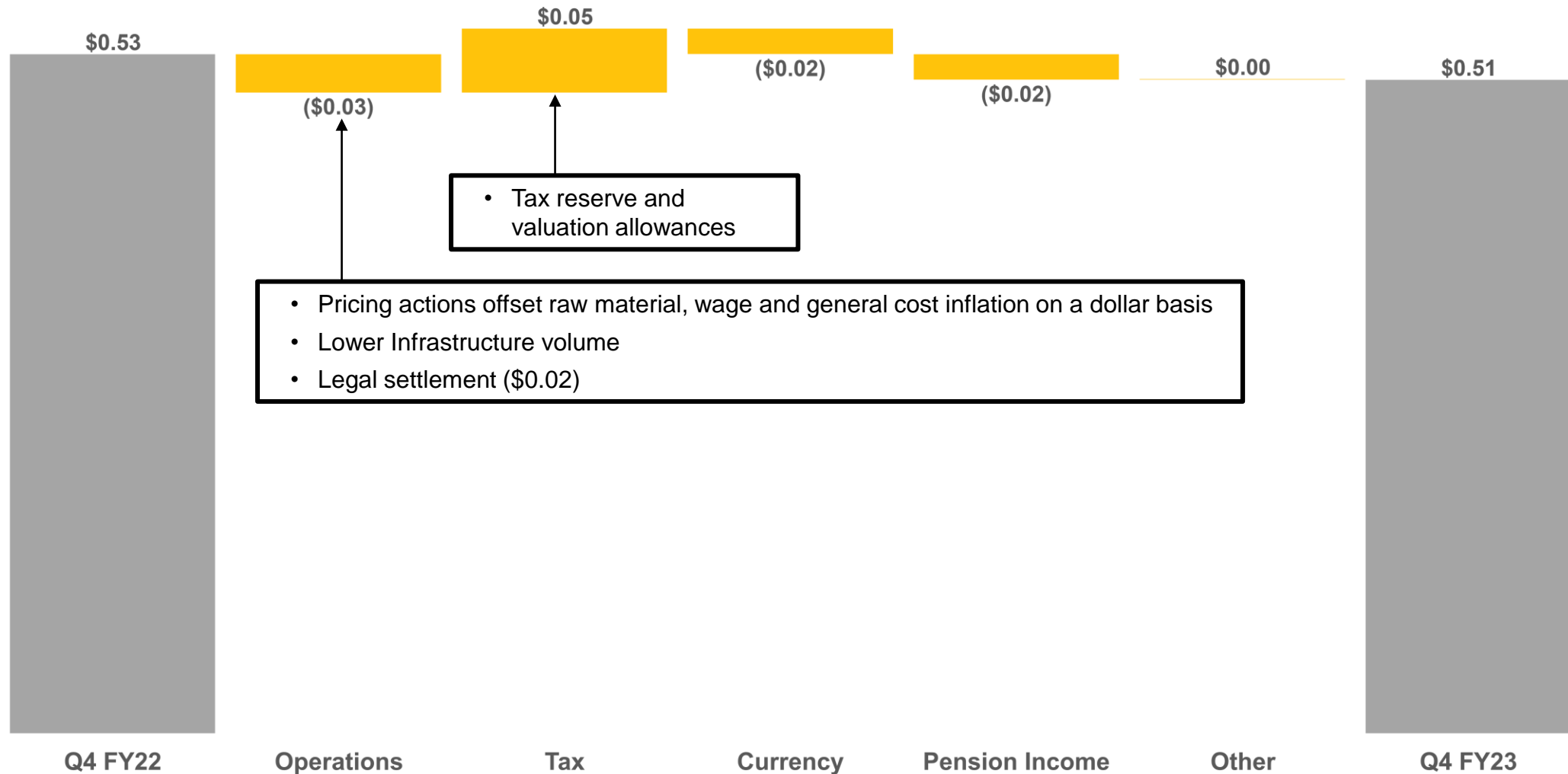


## Continued to execute our strategy in a challenging macro environment

Quarter Ended (\$ in millions)	Change from PY	Adjusted		Reported	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Sales</b>	<b>4%</b>	<b>\$550</b>	<b>\$530</b>	<b>\$550</b>	<b>\$530</b>
Organic		7%	7%	7%	7%
FX		(2)%	(4)%	(2)%	(4)%
Business Days		(1)%	-	(1)%	-
<b>Gross Profit</b>	<b>3%</b>	<b>\$176</b>	<b>\$171</b>	<b>\$176</b>	<b>\$170</b>
% of sales	-30 bps	31.9%	32.2%	31.9%	32.0%
<b>Operating Expense</b>	<b>8%</b>	<b>\$110</b>	<b>\$102</b>	<b>\$110</b>	<b>\$103</b>
% of sales	70 bps	20.0%	19.3%	20.0%	19.4%
<b>EBITDA</b>	<b>(9)%</b>	<b>\$92</b>	<b>\$101</b>	<b>\$85</b>	<b>\$99</b>
% of sales	-240 bps	16.7%	19.1%	15.5%	18.6%
<b>Operating Income</b>	<b>(3)%</b>	<b>\$63</b>	<b>\$65</b>	<b>\$56</b>	<b>\$63</b>
% of sales	-90 bps	11.4%	12.3%	10.2%	11.8%
<b>Effective Tax Rate</b>	<b>-790 bps</b>	<b>19.7%</b>	<b>27.6%</b>	<b>19.9%</b>	<b>27.8%</b>
<b>EPS (Earnings per Diluted Share)</b>	<b>(4)%</b>	<b>\$0.51</b>	<b>\$0.53</b>	<b>\$0.45</b>	<b>\$0.50</b>

## Q4 FY23 Adjusted EPS Bridge

### Improved Metal Cutting profitability offset by lower volume in Infrastructure





## Solid performance driven by strategic initiatives, innovation and operational excellence

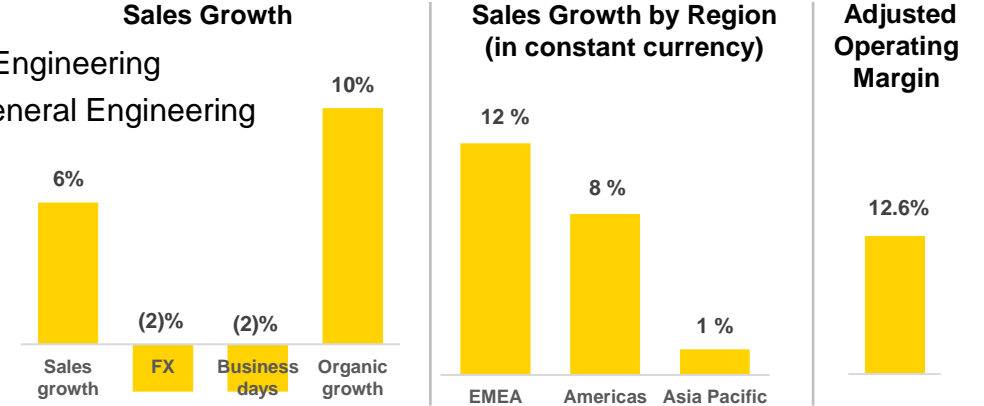
### 10% Organic sales growth

Sales of \$337 million

- Growth in EMEA and the Americas
  - EMEA strength driven by Transportation and General Engineering
  - Americas strength driven by Aero and Defense and General Engineering
  - Asia Pacific – slower recovery in China

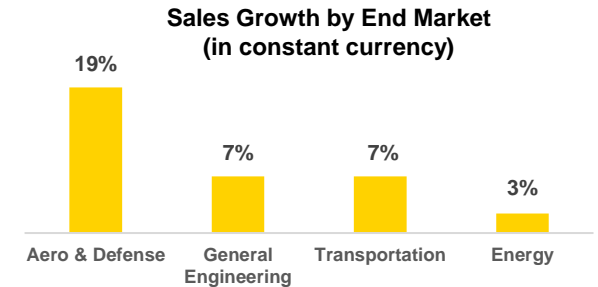
- Adjusted operating margin of 12.6%

- 130bps margin improvement
- Macroeconomic headwinds from China
- Price mitigates raw materials, wage and general inflation



### Growth across all end markets

- Aerospace and Defense growth continues to benefit from strategic initiatives
- General Engineering volume growth in EMEA
- Transportation growth in EMEA partially offset by decline in Asia Pacific
- Energy growth moderated in Americas in Q4



### Commercial and Operational Excellence

Positioning for growth

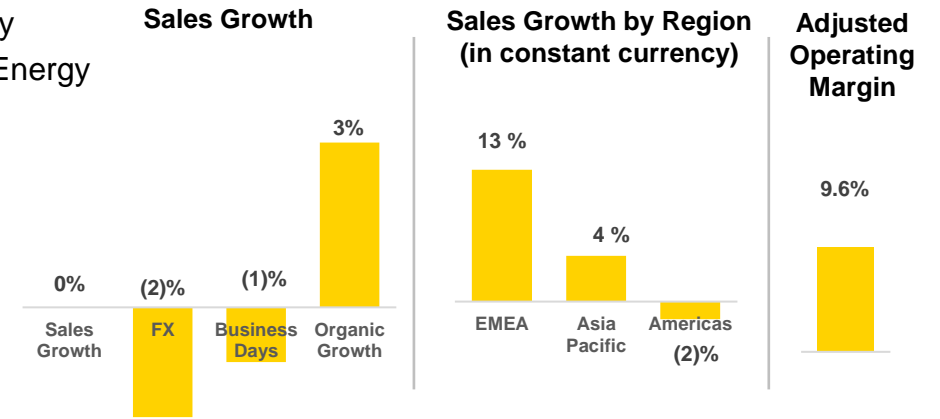
- Continue to build on strategic initiatives in Aerospace and Defense, Transportation (EV) and General Engineering
- Using Lean Tools to drive additional productivity and profitability
- Increasing customer service levels while improving inventory turns
- Continue to strengthen organizational capabilities to deliver growth, operating margin expansion and improved working capital

**Profitability sequentially improved; softer end market conditions than expected**

**3% Organic sales growth**  
Sales of \$213 million

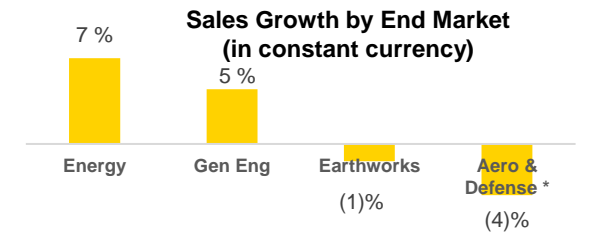
- **Growth in EMEA and Asia Pacific**
  - EMEA – growth driven by General Engineering and Energy
  - Asia Pacific – growth driven by General Engineering and Energy
  - Americas – lower volumes driven by Earthworks

- **Adjusted operating margin of 9.6%**
  - Lower YoY price/raw favorability; pricing covered raw material, wage and general cost inflation
  - Lower sales volumes in the Americas due to lower construction volume
- **Sequential margin improvement +480 bps**
  - Primarily due to higher sales and under absorption abatement



**End market growth mixed**  
Rate of growth moderating

- Energy growth rate moderates; average US land only rig count flat YoY
- General Engineering growth driven by stronger demand in EMEA and AP
- Earthworks decline due to lower Construction volume in Americas
- Aero & Defense affected by order timing



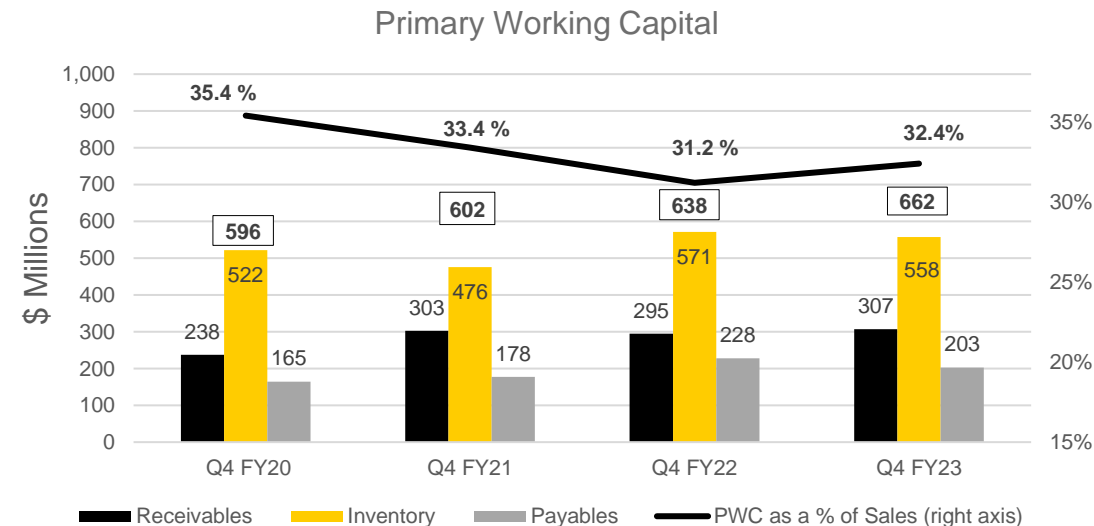
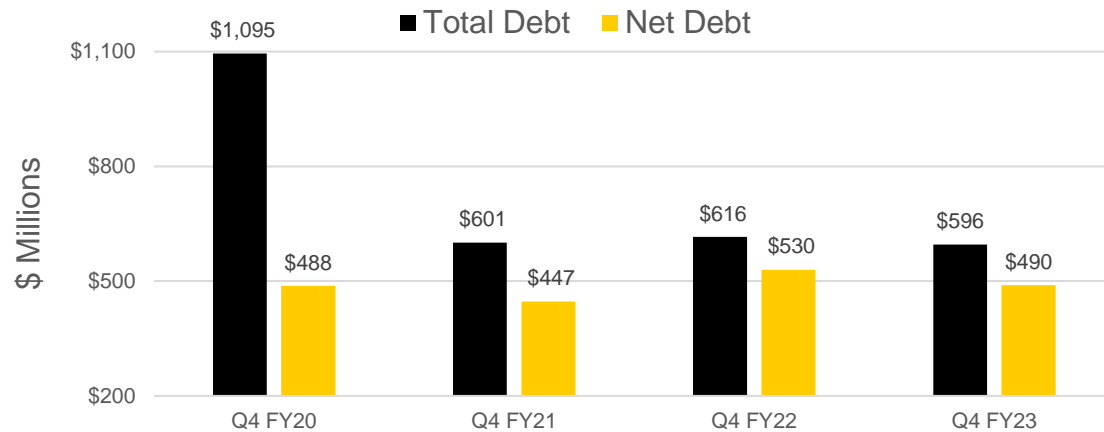
**Commercial and Operational Excellence**  
Positioning for growth

- Advancing share gain initiatives in target end market and underserved geographies
- Continuing inventory optimization while improving customer service levels
- Focusing on Lean Operations to drive productivity

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

# Balance Sheet and Cashflow Statement Highlights

Best cashflow since 2015; strong balance sheet positioned for growth and shareholder returns



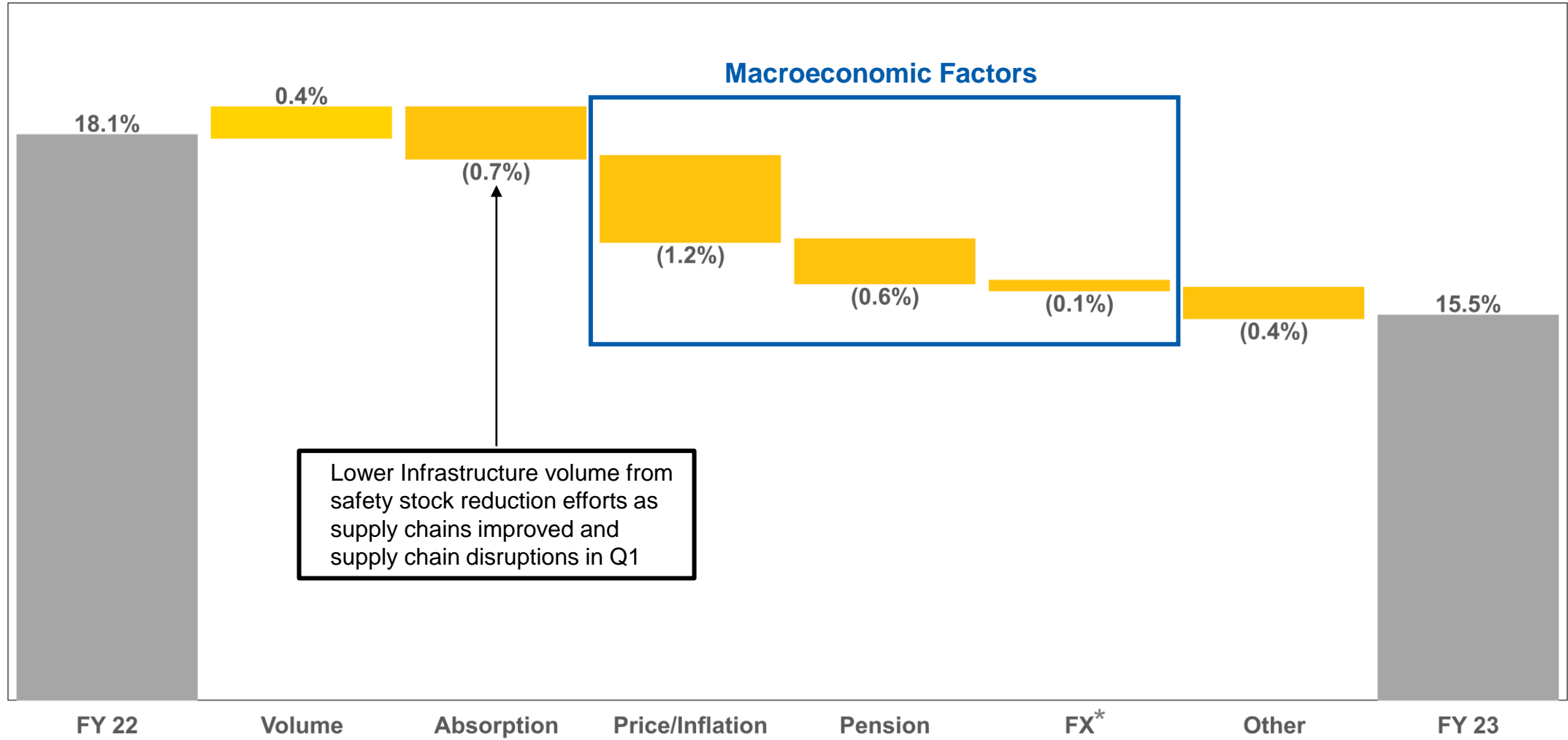
## Share Repurchases & Debt Profile

- \$200M 3-year share repurchase program**
  - Q4: \$12M purchased; 443K shares
  - Since inception: \$135M purchased; 4.7M shares, ~6% shares outstanding
- Debt profile**
  - Two \$300M notes mature June 2028 & March 2031
  - \$700M revolver matures June 2027
  - Covenant ratio well within limits

Consolidated Results (\$ in millions)	FY23	FY22
Net Cash from Operating Activities	\$258	\$181
Capital Expenditures, Net	\$(89)	\$(96)
Free Operating Cash Flow (FOCF)	\$169	\$85
Dividends	\$(65)	\$(67)

# Full Year Adjusted EBITDA Margin Waterfall vs. Prior Year

Effects of price/inflation, lower pension income and FX: ~190 bps margin dilution



\*Foreign exchange effects (50) bps effect on Operating Income

## Growth accelerates as year progresses

### Q1 FY24 Outlook

<b>Sales</b>	\$485M - \$510M
Volume growth	~(5)% - flat
Price Realization	~3%
Foreign exchange	Neutral
<b>Interest Expense</b>	~\$7M
<b>Adjusted Effective Tax Rate</b>	~5%
<b>EPS</b>	\$0.30 - \$0.40

### Q1 Revenue Assumptions YoY:

Slightly below normal seasonality driven by:

- Energy and General Engineering continue at the Q4 level
- Continued slow recovery in China
- Ongoing strength in Aerospace and Defense in both segments

### Q1 Profitability Assumptions YoY:

- Inflationary environment continues at a moderating pace
- Pricing to cover raw material, wage and general cost increases, on a dollar basis
- Raw material YoY headwind ~\$8M million due to pricing before raw material cost in the prior year
- Tax rate reflects discrete benefit
- FX YoY neutral

## Overall end-markets experience modest growth; stronger second half expected

### FY24 Total Year Outlook

<b>Sales</b>	\$2,100M - \$2,200M
Volume growth	(2)% - 3%
Price realization	~3%
Foreign exchange	Neutral
<b>Interest Expense</b>	~\$28M
<b>Adjusted Effective Tax Rate</b>	~24%
<b>Adjusted EPS</b>	\$1.75 - \$2.15
<b>Depreciation &amp; Amortization</b>	~\$135M
<b>Capital Spending</b>	\$100-110M
<b>Primary Working Capital (% of sales)</b>	30 - 32% throughout the year
<b>Free Operating Cash Flow (FOCF)</b>	~100% of adjusted net income
<b>Share Repurchases</b>	Offset dilution from compensation programs, at a minimum

### FY Revenue Assumptions YoY:

- Q1 slightly below normal sequential trend with growth accelerating in the second half
- Energy volume increases as the year progresses
- General Engineering and Earthworks flat in both segments
- Strong Aerospace and Defense volume in both segments
- Moderate growth in Transportation
- Growth in China improves

### FY Profitability Assumptions YoY:

- Inflationary environment continues to moderate
  - Pricing to cover raw material, wage and general cost increases, on a dollar basis
  - Raw material headwinds include:
    - Q1 ~\$8M due to pricing before the effects of higher material costs
    - Q2 ~\$10M unfavorable effect based on current tungsten prices
- FX YoY neutral operating income
- Non-cash pension income neutral YoY
- Restructuring savings ~\$15M which will be more back-end loaded, annualized run rate of ~\$20M at end of FY24

# Delivered organic growth & strong cash flow this quarter; margin expansion in FY24 and beyond

### Commercial Excellence

- Pricing actions and strategic initiatives drive growth in FY23
- FY24 growth prospects buoyed by several drivers:
  - Base business expansion through strategic initiatives, innovation and customer focus
  - Mega-trends such as demand for Hybrid and Electric Vehicles, aircraft, and cleaner energy align well with our technical expertise and market exposure
  - Significant opportunity to increase share-of-wallet and secure new customers in underserved markets, geographies and applications

### Operational Excellence

- Opportunity to further advance Operational Excellence benefits, including:
  - Driving greater productivity and profitability through lean and smart factory initiatives
  - Continuing to elevate service levels to delight customers and earn a larger share of their business
  - Leveraging modernized processes to enable new product innovations

### Cash Flow

- Delivered strongest free operating cash flow since FY2015
- Opportunity ahead to further increase cash flow through margin expansion and working capital improvements, including inventory reductions
- Maintaining focus on returning cash to shareholders and investing in strategic initiatives



# Company will host an Investor Day on September 8, 2023 at the New York Stock Exchange

Attendees will have the opportunity to meet with and hear from members of Kennametal's Executive Management Team, who will provide an update on the Company's growth and innovation strategy as well as outline the medium-term operational and financial targets to fiscal year 2027.

Presenting on the day will be:

- ▶ **Christopher Rossi**, President & Chief Executive Officer
- ▶ **Patrick Watson**, Vice President & Chief Financial Officer
- ▶ **Dr. Carlonda Reilly**, Vice President & Chief Technology Officer
- ▶ **Franklin Cardenas**, Vice President, Kennametal Inc. and President, Infrastructure Segment
- ▶ **Sanjay Chowbey**, Vice President, Kennametal Inc. and President, Metal Cutting Segment

The in-person event will also include an Innovation Room, with product and solution displays showcasing the strength and diversity of Kennametal's innovative product offerings.

### EVENT DETAILS:

**Date:** September 8, 2023

**Location:** The New York Stock Exchange (NYSE), Freedom Hall

**Agenda:**

9:00 am	On-Site Registration
9:30 am	Formal Presentations followed by Q&A
12:30 pm	Meeting Adjourns

Advance registration is required and seating is limited. Please click the button below to register by August 11, 2023.

[REGISTER HERE](#)

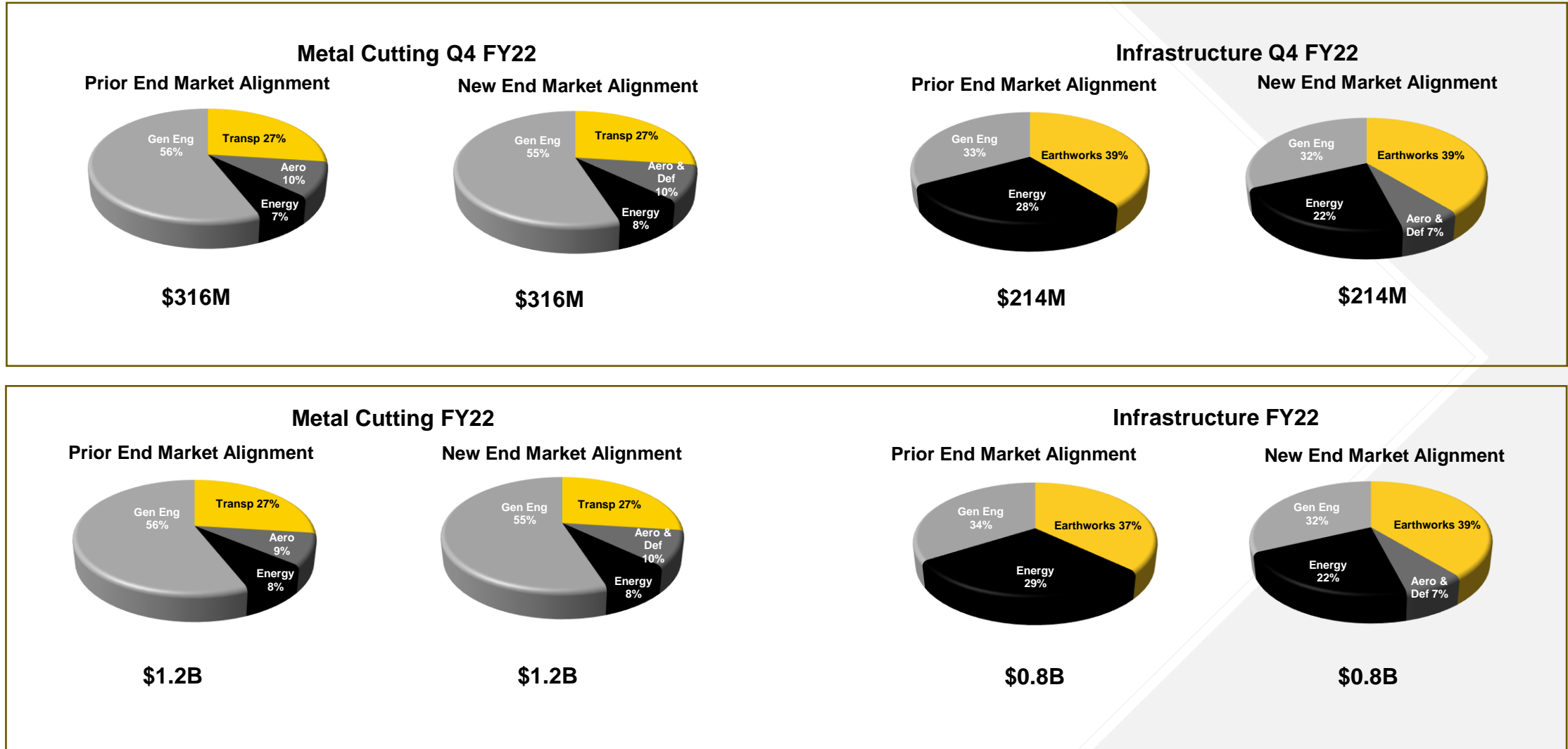
For those unable to attend in person, the presentation will be broadcast live online and available on our website at <https://investors.kennametal.com>.

For more information regarding the event, please contact the Company at [investors@kennametal.com](mailto:investors@kennametal.com).

# Appendix



## End markets focused on future strategic growth initiatives



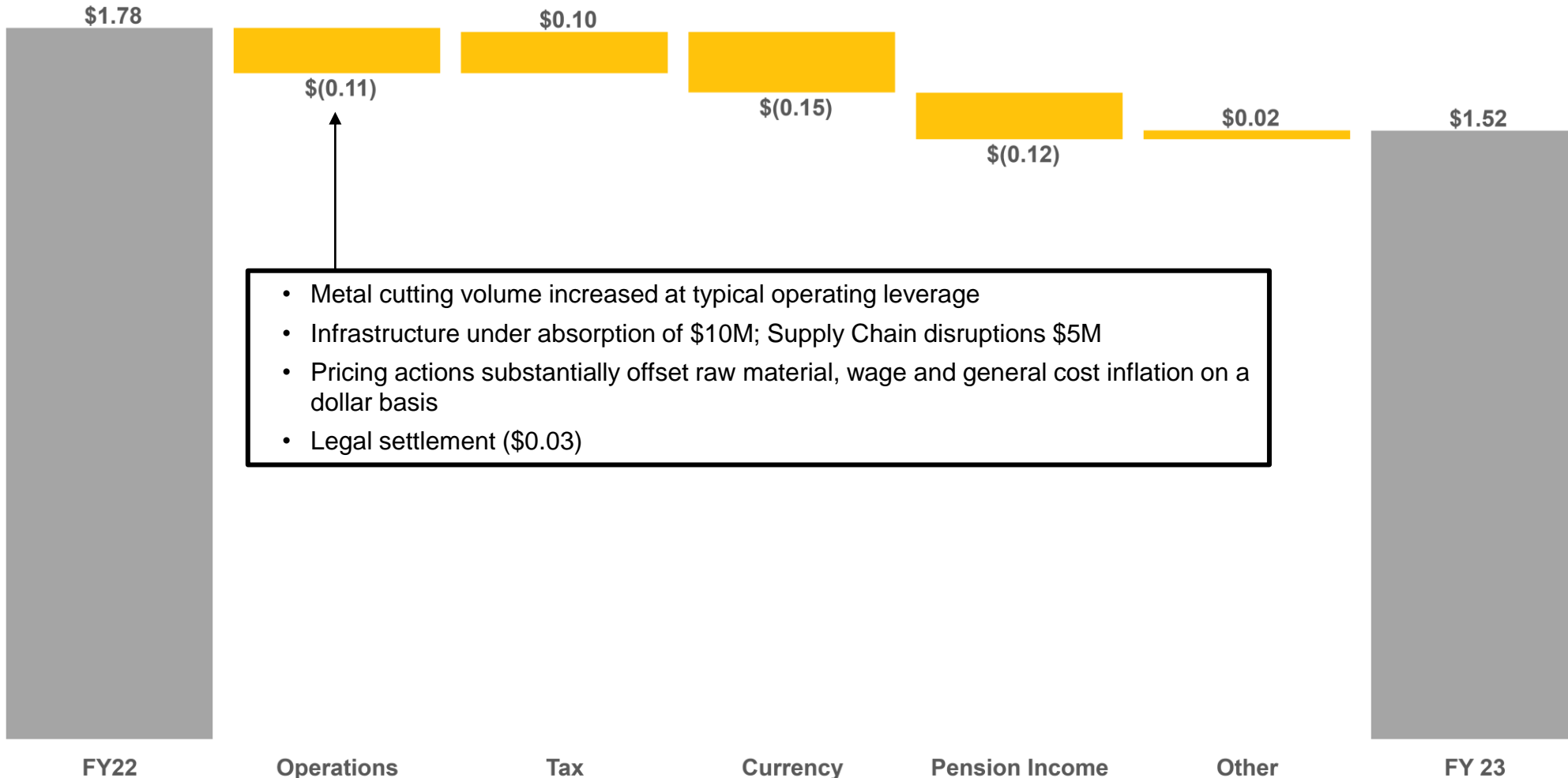
- Defense sales from general engineering combined with aerospace sales for the new aerospace and defense end market
- Certain Metal Cutting sales reclassified from general engineering to the aerospace and defense end market
- Infrastructure's ceramic sales have been reclassified from energy to the general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

## Continued focus on execution in a moderating demand environment

Quarter Ended (\$ in millions)	Change from PY	Adjusted		Reported	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Sales</b>	<b>3%</b>	<b>\$2,078</b>	<b>\$2,012</b>	<b>\$2,078</b>	<b>\$2,012</b>
Organic		9%	11%	9%	11%
FX		(5)%	(2)%	(5)%	(2)%
Business Days		(1)%	-	(1)%	-
<b>Gross Profit</b>	<b>(1)%</b>	<b>\$646</b>	<b>\$655</b>	<b>\$646</b>	<b>\$648</b>
% of sales	-140 bps	31.1%	32.5%	31.1%	32.2%
<b>Operating Expense</b>	<b>5%</b>	<b>\$437</b>	<b>\$418</b>	<b>\$437</b>	<b>\$419</b>
% of sales	20 bps	21.0%	20.8%	21.0%	20.8%
<b>EBITDA</b>	<b>(11)%</b>	<b>\$323</b>	<b>\$364</b>	<b>\$316</b>	<b>\$358</b>
% of sales	-260 bps	15.5%	18.1%	15.2%	17.8%
<b>Operating Income</b>	<b>(11)%</b>	<b>\$199</b>	<b>\$224</b>	<b>\$192</b>	<b>\$218</b>
% of sales	-150 bps	9.6%	11.1%	9.3%	10.8%
<b>Effective Tax Rate</b>	<b>(470) bps</b>	<b>22.5%</b>	<b>27.2%</b>	<b>22.7%</b>	<b>27.3%</b>
<b>EPS (Earnings per Diluted Share)</b>	<b>(15)%</b>	<b>\$1.52</b>	<b>\$1.78</b>	<b>\$1.46</b>	<b>\$1.72</b>

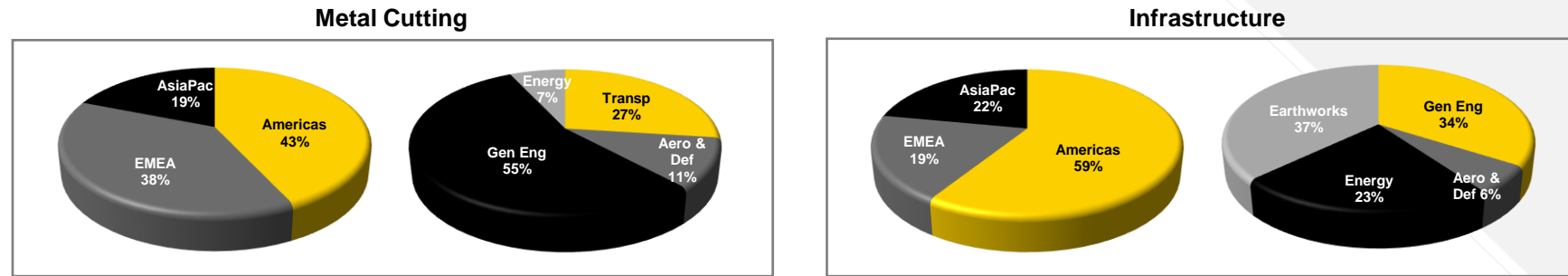
## FY23 Adjusted EPS Bridge

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



## Segment Results Q4 FY23

Growth moderates in all regions; aerospace and defense at double digit YoY growth



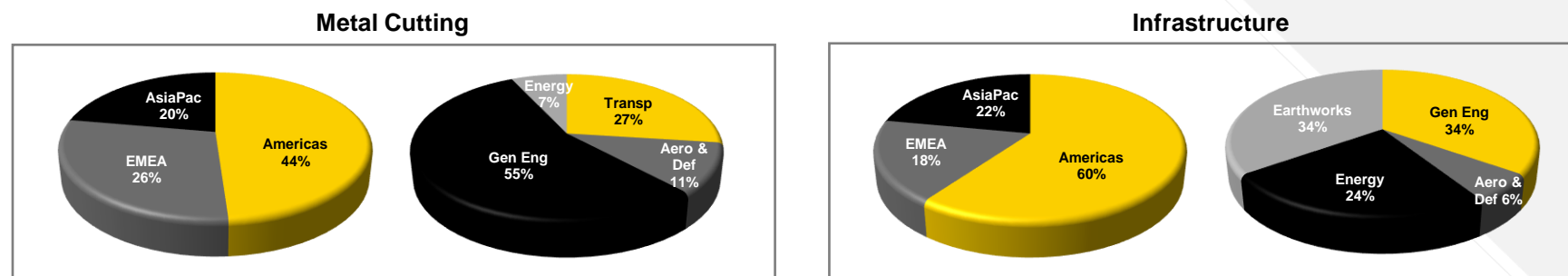
Period Ending June 30, 2023

(\$ in millions)

		Q4 FY23		
	% of KMT total	Metal Cutting	Infrastructure	Total
<b>Sales</b>		<b>\$337</b>	<b>\$213</b>	<b>\$550</b>
Organic		10%	3%	7%
FX		(2)%	(2)%	(2)%
Business Days		(2)%	(1)%	(1)%
<b>Constant Currency Regional Growth:</b>				
Americas	49%	8%	(2)%	3%
EMEA	31%	12%	13%	12%
AsiaPac	20%	1%	4%	3%
<b>Constant Currency End Market Growth:</b>				
General Engineering	47%	7%	5%	7%
Energy	13%	3%	7%	6%
Transportation	17%	7%	N/A	7%
Earthworks	14%	N/A	(1)%	(1)%
Aerospace and Defense	9%	19%	(4)%	12%
<b>Adjusted Operating Income</b>		<b>\$43</b>	<b>\$21</b>	<b>\$63</b>
<b>Adjusted Operating Margin</b>		<b>12.6%</b>	<b>9.6%</b>	<b>11.4%</b>

## Segment Results FY23

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



Period Ending June 30, 2023

(\$ in millions)

		FY23		
	% of KMT total	Metal Cutting	Infrastructure	Total
<b>Sales</b>		<b>\$1,270</b>	<b>\$808</b>	<b>\$2,078</b>
Organic		10%	7%	9%
FX		(6)%	(4)%	(5)%
Business Days		(1)%	-	(1)%
<b>Constant Currency Regional Growth:</b>				
Americas	50%	12%	5%	9%
EMEA	29%	10%	15%	11%
AsiaPac	21%	2%	5%	3%
<b>Constant Currency End Market Growth:</b>				
General Engineering	47%	8%	6%	7%
Energy	14%	4%	14%	11%
Transportation	16%	8%	N/A	8%
Earthworks	14%	N/A	5%	5%
Aerospace and Defense	9%	22%	(6)%	14%
<b>Adjusted Operating Income</b>		<b>\$141</b>	<b>\$61</b>	<b>\$199</b>
<b>Adjusted Operating Margin</b>		<b>11.1%</b>	<b>7.5%</b>	<b>9.6%</b>



### Strong balance sheet driven by strong cash flow

<b>ASSETS</b> (\$ in millions)	<b>June 2023</b>	<b>June 2022</b>
Cash and cash equivalents	\$106	\$86
Accounts receivable, net	307	295
Inventories	558	571
Other current assets	56	73
<b>Total current assets</b>	<b>1,027</b>	<b>1,025</b>
Property, plant and equipment, net	969	1,002
Goodwill and other intangible assets, net	363	370
Other assets	189	177
<b>Total assets</b>	<b>\$2,547</b>	<b>\$2,574</b>
<b>LIABILITIES</b> (\$ in millions)		
Revolving and other lines of credit and notes payable	\$1	\$21
Accounts payable	203	228
Other current liabilities	230	237
<b>Total current liabilities</b>	<b>434</b>	<b>486</b>
Long-term debt	595	594
Other liabilities	204	202
<b>Total liabilities</b>	<b>1,233</b>	<b>1,282</b>
Kennametal Shareowners' Equity	1,275	1,253
Noncontrolling interest	39	39
<b>Total liabilities and equity</b>	<b>\$2,547</b>	<b>\$2,574</b>

# Non-GAAP Reconciliations

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

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

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

## **Adjusted Gross Profit and Margin, Adjusted Operating Expense, Adjusted Operating Expense as a Percentage of Sales, Adjusted Operating Income and Margin, Adjusted ETR, Adjusted Net Income Attributable to Kennametal and Adjusted EPS**

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

### **Organic Sales Growth (Decline)**

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

### **Constant Currency Regional Sales Growth (Decline)**

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

## Non-GAAP Reconciliations (cont'd)

### Constant Currency End Market Sales Growth (Decline)

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

### EBITDA

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

### Free Operating Cash Flow

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

### Net Debt

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

### Primary Working Capital

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

(1) Acquisition impact is calculated by dividing current period sales attributable to acquired businesses by prior period sales.

(2) Divestiture impact is calculated by dividing prior period sales attributable to divested businesses by prior period sales.

(3) Business days impact is calculated by dividing the year-over-year change in weighted average working days (based on mix of sales by country) by prior period weighted average working days.

(4) Foreign currency exchange impact is calculated by dividing the difference between current period sales and current period sales at prior period foreign exchange rates by prior period sales.

## Non-GAAP Reconciliations

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income <sup>(5)</sup>	Diluted EPS	Effective Tax Rate
Q4 FY23 Reported Results	\$ 550.2	\$ 175.7	\$ 110.0	\$ 55.9	\$ 36.4	\$ 0.45	19.9 %
Reported Margins		31.9 %	20.0 %	10.2 %			
Restructuring and related charges	—	—	—	6.6	5.2	0.06	18.6
Differences in projected annual tax rates	—	—	—	—	—	—	(18.8)
Q4 FY23 Adjusted Results	\$ 550.2	\$ 175.7	\$ 110.0	\$ 62.5	\$ 41.7	\$ 0.51	19.7 %
Q4 FY23 Adjusted Margins		31.9 %	20.0 %	11.4 %			

<sup>(5)</sup> Attributable to Kennametal Shareholders

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income <sup>(5)</sup>	Diluted EPS	Effective Tax Rate
Q4 FY22 Reported Results	\$ 530.0	\$ 169.7	\$ 102.7	\$ 62.7	\$ 41.7	\$ 0.50	27.8 %
Reported Margins		32.0 %	19.4 %	11.8 %			
Restructuring and related charges	—	0.6	—	1.7	1.3	0.02	23.2
Charges related to Russian and Ukrainian operations	—	0.5	(0.4)	0.9	0.9	0.01	—
Differences in projected annual tax rates	—	—	—	—	(0.2)	—	(23.4)
Q4 FY22 Adjusted Results	\$ 530.0	\$ 170.7	\$ 102.2	\$ 65.2	\$ 43.7	\$ 0.53	27.6 %
Q4 FY22 Adjusted Margins		32.2 %	19.3 %	12.3 %			

## Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income <sup>(5)</sup>	Diluted EPS	Effective Tax Rate
FY23 Reported Results	\$ 2,078.2	\$ 646.4	\$ 437.3	\$ 192.4	\$ 118.5	\$ 1.46	22.7 %
Reported Margins		31.1 %	21.0 %	9.3 %			
Restructuring and related charges	—	—	—	6.6	5.2	0.06	18.6
<b>FY23 Adjusted Results</b>	<b>\$ 2,078.2</b>	<b>\$ 646.4</b>	<b>\$ 437.3</b>	<b>\$ 199.0</b>	<b>\$ 123.7</b>	<b>\$ 1.52</b>	<b>22.5 %</b>
<b>FY23 Adjusted Margins</b>		<b>31.1 %</b>	<b>21.0 %</b>	<b>9.6 %</b>			

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income <sup>(5)</sup>	Diluted EPS	Effective Tax Rate
FY22 Reported Results	\$ 2,012.5	\$ 648.0	\$ 419.1	\$ 218.1	\$ 144.6	\$ 1.72	27.3 %
Reported Margins		32.2 %	20.8 %	10.8 %			
Restructuring and related charges	—	5.5	(1.4)	4.2	2.7	0.03	37.0
Charges related to Russian and Ukrainian operations	—	1.4	—	2.7	2.7	0.03	—
Gain on New Castle divestiture	—	—	—	(1.0)	(0.8)	—	21.0
<b>FY22 Adjusted Results</b>	<b>\$ 2,012.5</b>	<b>\$ 654.8</b>	<b>\$ 417.7</b>	<b>\$ 224.1</b>	<b>\$ 149.2</b>	<b>\$ 1.78</b>	<b>27.2 %</b>
<b>FY22 Adjusted Margins</b>		<b>32.5 %</b>	<b>20.8 %</b>	<b>11.1 %</b>			

## Non-GAAP Reconciliations (cont'd)

(\$ in millions)	Three months ended June 30,		Year ended June 30,	
	2023	2022	2023	2022
Net income attributable to Kennametal, reported	\$ 36.4	\$ 41.7	\$ 118.5	\$ 144.6
Add back:				
Interest expense	7.1	6.7	28.5	25.9
Interest income	(0.4)	(0.2)	(0.9)	(1.0)
Provision for income taxes, reported	9.4	16.5	36.3	56.5
Depreciation	29.7	30.7	121.4	118.7
Amortization	3.1	3.2	12.6	13.0
<b>EBITDA</b>	<b>\$ 85.4</b>	<b>\$ 98.6</b>	<b>\$ 316.4</b>	<b>\$ 357.8</b>
<b>Margin</b>	<b>15.5 %</b>	<b>18.6 %</b>	<b>15.2 %</b>	<b>17.8 %</b>
Adjustments:				
Restructuring and related charges	6.6	1.7	6.6	4.2
Charges related to Russian and Ukrainian operations	—	0.9	—	2.7
Gain on New Castle divestiture	—	—	—	(1.0)
<b>Adjusted EBITDA</b>	<b>\$ 92.0</b>	<b>\$ 101.1</b>	<b>\$ 323.0</b>	<b>\$ 363.7</b>
<b>Adjusted Margin</b>	<b>16.7 %</b>	<b>19.1 %</b>	<b>15.5 %</b>	<b>18.1 %</b>

## Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
FY23 Reported Results	\$ 1,269.8	\$ 135.8	\$ 808.4	\$ 59.8
Reported Operating Margin		10.7 %		7.4 %
Restructuring and related charges	—	5.3	—	1.3
FY23 Adjusted Results	\$ 1,269.8	\$ 141.1	\$ 808.4	\$ 61.0
FY23 Adjusted Operating Margin		11.1 %		7.5 %

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
FY22 Reported Results	\$ 1,227.3	\$ 121.4	\$ 785.2	\$ 98.9
Reported Operating Margin		9.9 %		12.6 %
Restructuring and related charges	—	3.6	—	0.6
Charges related to Russian and Ukrainian operations	—	2.4	—	0.3
Gain on New Castle divestiture	—	—	—	(1.0)
FY22 Adjusted Results	\$ 1,227.3	\$ 127.4	\$ 785.2	\$ 98.8
FY22 Adjusted Operating Margin		10.4 %		12.6 %



## Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q4 FY23 Reported Results	\$ 336.9	\$ 37.2	\$ 213.4	\$ 19.2
Reported Operating Margin		11.0 %		9.0 %
Restructuring and related charges	—	5.3	—	1.3
Q4 FY23 Adjusted Results	\$ 336.9	\$ 42.5	\$ 213.4	\$ 20.5
Q4 FY23 Adjusted Operating Margin		12.6 %		9.6 %

(\$ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q4 FY22 Reported Results	\$ 316.4	\$ 34.1	\$ 213.6	\$ 29.2
Reported Operating Margin		10.8 %		13.7 %
Restructuring and related charges	—	1.0	—	0.6
Charges related to Russian and Ukrainian operations	—	0.8	—	0.1
Q4 FY22 Adjusted Results	\$ 316.4	\$ 35.9	\$ 213.6	\$ 29.9
Q4 FY22 Adjusted Operating Margin		11.3 %		14.0 %

## Non-GAAP Reconciliations (cont'd)

<b>Three months ended June 30, 2023</b>	<b>Metal Cutting</b>	<b>Infrastructure</b>	<b>Kennametal</b>
Organic sales growth	10 %	3 %	7 %
Foreign currency exchange effect	(2)	(2)	(2)
Business days effect	(2)	(1)	(1)
Sales growth	6 %	— %	4 %

<b>Three months ended June 30, 2022</b>	<b>Metal Cutting</b>	<b>Infrastructure</b>	<b>Kennametal</b>
Organic sales growth	7 %	7 %	7 %
Foreign currency exchange effect	(6)	(2)	(4)
Sales growth	1 %	5 %	3 %

<b>Year ended June 30, 2023</b>	<b>Metal Cutting</b>	<b>Infrastructure</b>	<b>Kennametal</b>
Organic sales growth	10 %	7 %	9 %
Foreign currency exchange effect	(6)	(4)	(5)
Business days effect	(1)	—	(1)
Sales growth	3 %	3 %	3 %

<b>Year ended June 30, 2022</b>	<b>Metal Cutting</b>	<b>Infrastructure</b>	<b>Kennametal</b>
Organic sales growth	9 %	14 %	11 %
Foreign currency exchange effect	(2)	—	(2)
Sales growth	7 %	14 %	9 %

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Three months ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	8 %	12 %	1 %
Foreign currency exchange effect	—	(1)	(6)
Regional sales growth (decline)	8 %	11 %	(5)%

### Infrastructure

Three months ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(2)%	13 %	4 %
Foreign currency exchange effect	—	(4)	(5)
Regional sales (decline) growth	(2)%	9 %	(1)%

### Kennametal

Three months ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	3 %	12 %	3 %
Foreign currency exchange effect	—	(1)	(6)
Regional sales growth (decline)	3 %	11 %	(3)%

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Three months ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	12 %	6 %	(1)%
Foreign currency exchange effect	1	(12)	(4)
Regional sales growth (decline)	13 %	(6)%	(5)%

### Infrastructure

Three months ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	7 %	5 %	9 %
Foreign currency exchange effect	—	(10)	(3)
Regional sales growth (decline)	7 %	(5)%	6 %

### Kennametal

Three months ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	10 %	6 %	3 %
Foreign currency exchange effect	—	(12)	(4)
Regional sales growth (decline)	10 %	(6)%	(1)%

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Year ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	12 %	10 %	2 %
Foreign currency exchange effect	—	(10)	(8)
Regional sales growth (decline)	12 %	— %	(6)%

### Infrastructure

Year ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	5 %	15 %	5 %
Foreign currency exchange effect	(1)	(11)	(7)
Regional sales growth (decline)	4 %	4 %	(2)%

### Kennametal

Year ended June 30, 2023	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	9 %	11 %	3 %
Foreign currency exchange effect	(1)	(10)	(7)
Regional sales growth (decline)	8 %	1 %	(4)%

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Year ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	14 %	10 %	(2)%
Foreign currency exchange effect	—	(6)	—
Regional sales growth (decline)	14 %	4 %	(2)%

### Infrastructure

Year ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	18 %	10 %	7 %
Foreign currency exchange effect	—	(3)	2
Regional sales growth	18 %	7 %	9 %

### Kennametal

Year ended June 30, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	16 %	10 %	2 %
Foreign currency exchange effect	—	(5)	—
Regional sales growth	16 %	5 %	2 %

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Three months ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Transportation
Constant currency end market sales growth	3 %	7 %	19 %	7 %
Foreign currency exchange effect	(2)	(2)	(2)	(1)
End market sales growth	1 %	5 %	17 %	6 %

### Infrastructure

Three months ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Earthworks
Constant currency end market sales growth (decline)	7 %	5 %	(4)%	(1)%
Foreign currency exchange effect	—	(2)	—	(5)
End market sales growth (decline)	7 %	3 %	(4)%	(6)%

### Kennametal

Three months ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Transportation	Earthworks
Constant currency end market sales growth (decline)	6 %	7 %	12 %	7 %	(1)%
Foreign currency exchange effect	(1)	(2)	(1)	(1)	(5)
End market sales growth (decline)	5 %	5 %	11 %	6 %	(6)%



**Metal Cutting**

<b>Three months ended June 30, 2022</b>	<b>Energy</b>	<b>General Engineering</b>	<b>Aerospace &amp; Defense</b>	<b>Transportation</b>
Constant currency end market sales growth	9 %	6 %	20 %	4 %
Foreign currency exchange effect	(5)	(5)	(6)	(6)
<b>End market sales growth (decline)</b>	<b>4 %</b>	<b>1 %</b>	<b>14 %</b>	<b>(2)%</b>

**Infrastructure**

<b>Three months ended June 30, 2022</b>	<b>Energy</b>	<b>General Engineering</b>	<b>Aerospace &amp; Defense</b>	<b>Earthworks</b>
Constant currency end market sales growth (decline)	14 %	10 %	(25)%	10 %
Foreign currency exchange effect	(1)	(4)	(4)	(3)
<b>End market sales growth (decline)</b>	<b>13 %</b>	<b>6 %</b>	<b>(29)%</b>	<b>7 %</b>

**Kennametal**

<b>Three months ended June 30, 2022</b>	<b>Energy</b>	<b>General Engineering</b>	<b>Aerospace &amp; Defense</b>	<b>Transportation</b>	<b>Earthworks</b>
Constant currency end market sales growth	12 %	7 %	2 %	4 %	10 %
Foreign currency exchange effect	(2)	(5)	(6)	(6)	(3)
<b>End market sales growth (decline)</b>	<b>10 %</b>	<b>2 %</b>	<b>(4)%</b>	<b>(2)%</b>	<b>7 %</b>

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Year ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Transportation
Constant currency end market sales growth	4 %	8 %	22 %	8 %
Foreign currency exchange effect	(5)	(5)	(5)	(7)
End market sales (decline) growth	(1)%	3 %	17 %	1 %

### Infrastructure

Year ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Earthworks
Constant currency end market sales growth (decline)	14 %	6 %	(6)%	5 %
Foreign currency exchange effect	—	(4)	(3)	(5)
End market sales growth (decline)	14 %	2 %	(9)%	— %

### Kennametal

Year ended June 30, 2023	Energy	General Engineering	Aerospace & Defense	Transportation	Earthworks
Constant currency end market sales growth	11 %	7 %	14 %	8 %	5 %
Foreign currency exchange effect	(2)	(5)	(4)	(7)	(5)
End market sales growth	9 %	2 %	10 %	1 %	— %

## Non-GAAP Reconciliations (cont'd)

### Metal Cutting

Year ended June 30, 2022	Energy	General Engineering	Aerospace & Defense	Transportation
Constant currency end market sales growth (decline)	6 %	13 %	21 %	(1)%
Foreign currency exchange effect	(1)	(3)	(2)	(2)
End market sales growth (decline)	5 %	10 %	19 %	(3)%

### Infrastructure

Year ended June 30, 2022	Energy	General Engineering	Aerospace & Defense	Earthworks
Constant currency end market sales growth (decline)	38 %	15 %	(17)%	9 %
Foreign currency exchange effect	(1)	(1)	(2)	1
End market sales growth (decline)	37 %	14 %	(19)%	10 %

### Kennametal

Year ended June 30, 2022	Energy	General Engineering	Aerospace & Defense	Transportation	Earthworks
Constant currency end market sales growth (decline)	25 %	13 %	7 %	(1)%	9 %
Foreign currency exchange effect	(1)	(2)	(2)	(2)	1
End market sales growth (decline)	24 %	11 %	5 %	(3)%	10 %

## Non-GAAP Reconciliations (cont'd)

Net Debt (in millions)	Year ended			
	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Total debt (gross)	\$ 595.9	\$ 615.6	\$ 600.5	\$ 1,094.5
Less: cash and cash equivalents	106.0	85.6	154.0	606.7
Net debt	\$ 489.9	\$ 530.0	\$ 446.5	\$ 487.8

(in millions)	Three months ended June 30,		Year ended June 30,	
	2023	2022	2023	2022
Net cash flow provided by operating activities	\$ 131.8	\$ 88.4	\$ 257.9	\$ 181.4
Purchases of property, plant and equipment	(23.3)	(36.8)	(94.4)	(96.9)
Proceeds from disposals of property, plant and equipment	0.3	0.2	5.0	0.9
Free operating cash flow	\$ 108.7	\$ 51.8	\$ 168.6	\$ 85.4

## Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	Average
Current assets	\$ 1,026,789	\$ 1,079,035	\$ 1,048,303	\$ 1,011,486	\$ 1,024,708	
Current liabilities	433,975	488,729	494,334	497,488	485,610	
Working capital, GAAP	\$ 592,814	\$ 590,306	\$ 553,969	\$ 513,998	\$ 539,098	
Excluding items:						
Cash and cash equivalents	(106,021)	(93,474)	(76,784)	(64,568)	(85,586)	
Other current assets	(55,825)	(76,607)	(74,723)	(76,732)	(72,940)	
Total excluded current assets	(161,846)	(170,081)	(151,507)	(141,300)	(158,526)	
Adjusted current assets	864,943	908,954	896,796	870,186	866,182	
Revolving and other lines of credit and notes payable	(689)	(64,055)	(78,805)	(85,239)	(21,186)	
Other current liabilities	(229,945)	(227,516)	(208,807)	(206,309)	(236,537)	
Total excluded current liabilities	(230,634)	(291,571)	(287,612)	(291,548)	(257,723)	
Adjusted current liabilities	203,341	197,158	206,722	205,940	227,887	
Primary working capital	\$ 661,602	\$ 711,796	\$ 690,074	\$ 664,246	\$ 638,295	\$ 673,203
	<b>Three Months Ended</b>					
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	Total	
Sales	\$ 550,234	\$ 536,036	\$ 497,121	\$ 494,792	\$ 2,078,183	
Primary working capital as a percentage of sales						32.4 %

## Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	Average
Current assets	\$ 1,024,708	\$ 1,043,241	\$ 984,201	\$ 966,948	\$ 1,004,807	
Current liabilities	485,610	460,365	410,983	389,223	437,394	
Working capital, GAAP	\$ 539,098	\$ 582,876	\$ 573,218	\$ 577,725	\$ 567,413	
Excluding items:						
Cash and cash equivalents	(85,586)	(99,982)	(101,799)	(107,316)	(154,047)	
Other current assets	(72,940)	(69,582)	(76,794)	(74,906)	(71,470)	
Total excluded current assets	(158,526)	(169,564)	(178,593)	(182,222)	(225,517)	
Adjusted current assets	866,182	873,677	805,608	784,726	779,290	
Revolving and other lines of credit and notes payable	(21,186)	(28,736)	(12,228)	(368)	(8,365)	
Other current liabilities	(236,537)	(233,942)	(212,898)	(211,778)	(251,370)	
Total excluded current liabilities	(257,723)	(262,678)	(225,126)	(212,146)	(259,735)	
Adjusted current liabilities	227,887	197,687	185,857	177,077	177,659	
Primary working capital	\$ 638,295	\$ 675,990	\$ 619,751	\$ 607,649	\$ 601,631	\$ 628,663
	<b>Three Months Ended</b>					
		6/30/2022	3/31/2022	12/31/2021	9/30/2021	Total
Sales		\$ 530,016	\$ 512,259	\$ 486,673	\$ 483,509	\$ 2,012,457
Primary working capital as a percentage of sales						31.2 %

## Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	Average
Current assets	\$ 1,004,807	\$ 966,916	\$ 948,686	\$ 935,721	\$ 1,440,812	
Current liabilities	437,394	425,553	402,641	415,573	898,080	
Working capital, GAAP	\$ 567,413	\$ 541,363	\$ 546,045	\$ 520,148	\$ 542,732	
Excluding items:						
Cash and cash equivalents	(154,047)	(114,307)	(103,188)	(98,290)	(606,684)	
Other current assets	(71,470)	(73,235)	(73,123)	(78,700)	(73,698)	
Total excluded current assets	(225,517)	(187,542)	(176,311)	(176,990)	(680,382)	
Adjusted current assets	779,290	779,374	772,375	758,731	760,430	
Revolving and other lines of credit and notes payable	(8,365)	(18,745)	(34,979)	(46,458)	(500,368)	
Other current liabilities	(251,370)	(242,327)	(233,509)	(233,039)	(233,071)	
Total excluded current liabilities	(259,735)	(261,072)	(268,488)	(279,497)	(733,439)	
Adjusted current liabilities	177,659	164,481	134,153	136,076	164,641	
Primary working capital	\$ 601,631	\$ 614,893	\$ 638,222	\$ 622,655	\$ 595,789	\$ 614,638
	<b>Three Months Ended</b>					
		6/30/2021	3/31/2021	12/31/2020	9/30/2020	Total
Sales		\$ 515,971	\$ 484,658	\$ 440,507	\$ 400,305	\$ 1,841,441
Primary working capital as a percentage of sales						33.4 %

## Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	Average
Current assets	\$ 1,440,812	\$ 966,723	\$ 1,035,912	\$ 1,065,389	\$ 1,190,827	
Current liabilities	898,080	383,131	409,110	418,719	461,726	
Working capital, GAAP	\$ 542,732	\$ 583,592	\$ 626,802	\$ 646,670	\$ 729,101	
Excluding items:						
Cash and cash equivalents	(606,684)	(85,230)	(105,210)	(113,522)	(182,015)	
Other current assets	(73,698)	(60,550)	(97,824)	(67,106)	(57,381)	
Total excluded current assets	(680,382)	(145,780)	(203,034)	(180,628)	(239,396)	
Adjusted current assets	760,430	820,943	832,878	884,761	951,431	
Revolving and other lines of credit and notes payable	(500,368)	(4,500)	(2,102)	(3,528)	(157)	
Other current liabilities	(233,071)	(213,569)	(233,848)	(216,517)	(248,661)	
Total excluded current liabilities	(733,439)	(218,069)	(235,950)	(220,045)	(248,818)	
Adjusted current liabilities	164,641	165,062	173,160	198,674	212,908	
Primary working capital	\$ 595,789	\$ 655,881	\$ 659,718	\$ 686,087	\$ 738,523	\$ 667,200
	<b>Three Months Ended</b>					
	<b>6/30/2020</b>	<b>3/31/2020</b>	<b>12/31/2019</b>	<b>9/30/2019</b>	<b>Total</b>	
Sales	\$ 379,053	\$ 483,084	\$ 505,080	\$ 518,088	\$ 1,885,305	
Primary working capital as a percentage of sales						35.4 %