KENNAMETAL®

FY25 Second Quarter

Earnings Call Presentation

February 5, 2025

Safe Harbor Statement

Certain statements in this release may be forward-looking in nature, or “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about Kennametal’s outlook for sales, adjusted operating income, adjusted EPS, FOCF, primary working capital, capital expenditures and adjusted effective tax rate for the third quarter and full year of fiscal 2025 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 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. Many of these risks and other risks are more fully described in Kennametal’s latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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

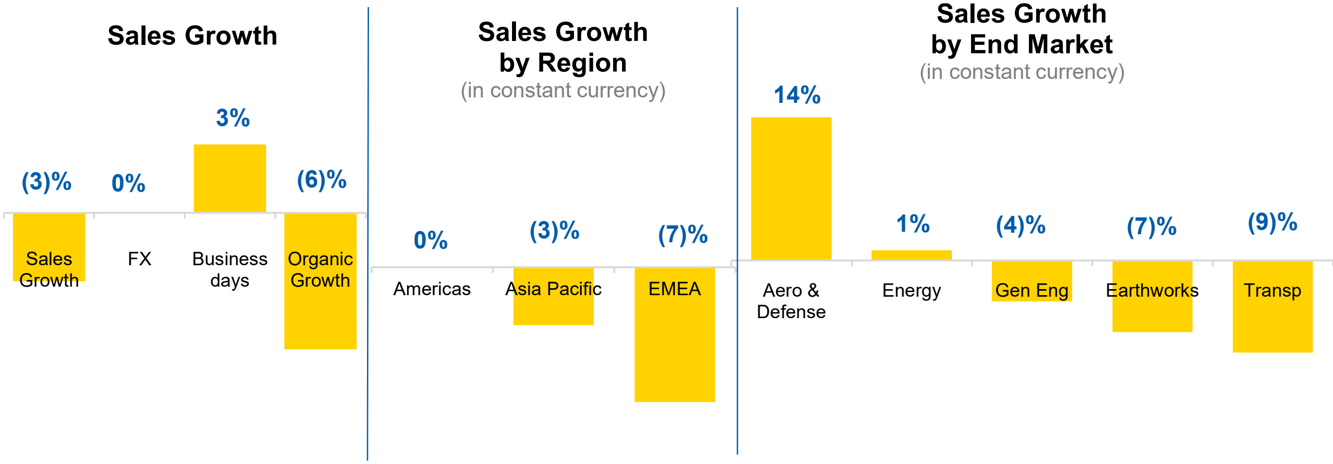
End market conditions drive organic sales decline

Earnings per Diluted Share (EPS): Reported $0.23; Adjusted $0.25 (vs. $0.29 reported and $0.30 adjusted in prior year)

Lower industrial activity partially offset by Aerospace and Defense

Sales of $482M, (6)% organic decline year-over-year
- Metal Cutting (7)% and Infrastructure (4)%

- **Aero & Defense** – Project timing and strategic wins
- **Energy** – Project orders offset lower industry growth
- **General Engineering** – Lower volumes primarily in EMEA
- **Earthworks** – Slower mining activity in Asia Pacific and the Americas, customer consolidation in the Americas partially offset by higher activity in EMEA
- **Transportation** – Lower OEM volume in EMEA and the Americas



Lower material costs and restructuring partially offset by lower volume

Adjusted EBITDA of $67 million at 13.9% margin up 150 bps against prior year
- Lower raw material costs
- Price
- Restructuring savings of $6M
- Net insurance benefits in Infrastructure of $2M
- IRA* advanced manufacturing production credit of approximately $2M

Partially offset by:
- Lower sales and production volumes
- Higher wages and general inflation

Metal Cutting adjusted operating margin down 240 bps YoY; due to lower sales and production volumes, higher wages and general inflation partially offset by; price, lower raw material costs, restructuring savings of $4M

Infrastructure adjusted operating margin up 670 bps YoY; Price raw/material timing, net insurance proceeds of $2M, IRA* advanced manufacturing credit of $2M, restructuring savings of $2M, partially offset by lower production volumes, higher wages and general inflation

Returned $31M to Shareholders

- YTD cash flow from operations **$101 million** and free operating cash flow of **$57 million**
- **$15 million** share repurchases and **$16 million** dividends

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* Inflation Reduction Act

Mixed markets continue; moderate seasonal improvement in second half

FY25 Sales Assumptions at Outlook Midpoint

	Prior	Current
General Engineering	Flat	Down slightly
Transportation	Up Slightly	Down
Energy	Down Slightly	Down Slightly
Earthworks	Down Slightly	Down Slightly
Aerospace & Defense	Up Moderately	Up Slightly

FY25 Market Factors

US S&P IPI forecast
- **Prior:** Up slightly in 1HCY25
- **Current:** Flat

EMEA IPI forecast
- **Prior:** Slight improvement 1HCY25
- **Current:** Down slightly

China PMI
- **Prior:** Flat at 50
- **Current:** Flat at 50

Light vehicle production
- **Prior:** Per IHS production up 1% vs. prior year
- **Current:** Per IHS production down 1% vs. prior year primarily in EMEA

US Land based rig count
- **Prior:** Slight growth
- **Current:** decline

Customer US Sentiment
- **Prior:** Cautious 2H CY24, rig productivity is focus
- **Current:** Cautious 1H CY25, rig productivity is focus

Road Construction
- **Prior:** Normal seasonality with improvement in 1H CY25, competitive pressures persist
- **Current:** Normal seasonality with improvement in 1H CY25, competitive pressures persist

Mining
- **Prior:** Declines in China and lower US exports
- **Current**: Declines in China and lower US exports

Major OEM Build Rates
- **Prior:** Up moderately with growth accelerating in 1H CY25
- **Current:** Up slightly with growth improving in 1H CY25

Defense
- **Prior:** Defense related orders driven by order timing, expected to remain strong throughout FY
- **Current:** Defense related orders driven by order timing, expected to remain strong throughout FY

Strong cash flow continues despite soft macro environment

		Adjusted		Reported	
Quarter Ended ($ in millions)	**Change from PY**	December 31, 2024	December 31, 2023	December 31, 2024	Dec 31, 2023
Sales	**(3)%**	**$482**	**$495**	**$482**	**$495**
Organic		(6)%	(3)%	(6)%	(3)%
FX		0%	1%	0%	1%
Business Days		3%	2%	3%	2%
Gross Profit	**4%**	**$145**	**$140**	**$145**	**$140**
% of sales	190 bps	30.1%	28.2%	30.1%	28.2%
Operating Expense	**2%**	**$109**	**$107**	**$109**	**$107**
% of sales	100 bps	22.7%	21.7%	22.7%	21.7%
EBITDA	**9%**	**$67**	**$61**	**$66**	**$60**
% of sales	150 bps	13.9%	12.4%	13.6%	12.2%
Operating Income	**12%**	**$33**	**$30**	**$32**	**$28**
% of sales	90 bps	6.9%	6.0%	6.6%	5.7%
Effective Tax Rate	**3490 bps**	**26.9%**	**(8.0)%**	**29.4%**	**(9.0)%**
EPS (Earnings per Diluted Share)	**(17)%**	**$0.25**	**$0.30**	**$0.23**	**$0.29**
Year-to-Date					
Net Cash Flow Provided By Operations	**14%**	**$101**	**$88**	**$101**	**$88**
Free Operating Cash Flow (FOCF)	**59%**	**$57**	**$36**	**$57**	**$36**

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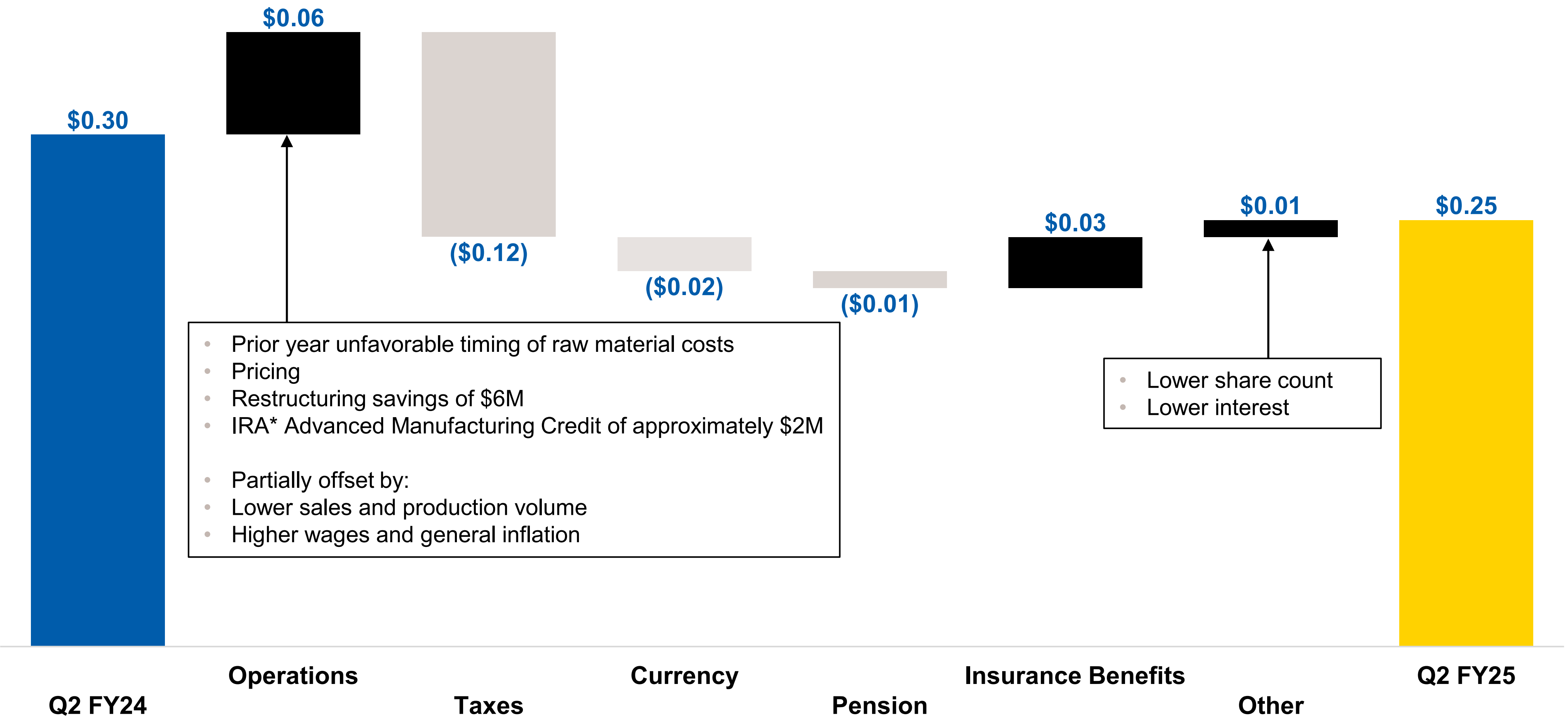
Adjusted EPS decline driven by higher taxes



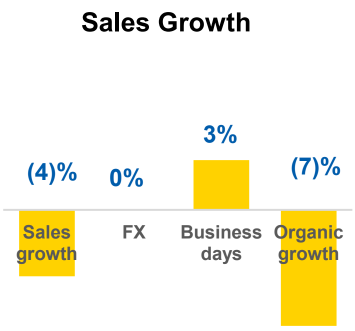
* IRA Inflation Reduction Act

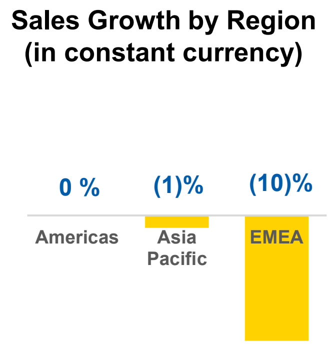
Sales and margins impacted by EMEA

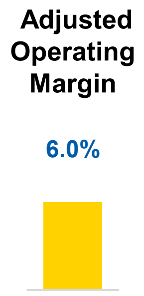
Organic sales decline (7)%

Sales of $298 million

- **EMEA drives decline**
  - EMEA Transportation and General Engineering weakness partially offset by strength in Aerospace & Defense
  - Americas Aerospace & Defense growth offset weakness in General Engineering and Transportation
  - Asia Pacific due to lower production volumes in Aerospace & Defense



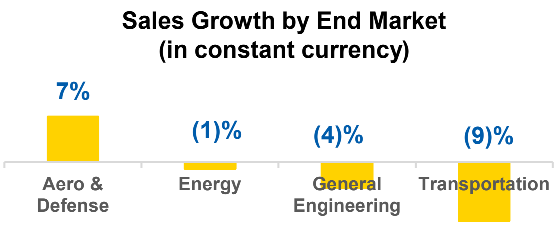




- **Adjusted operating margin of 6.0% below prior year 240 bps**
  - Lower sales and production volumes, higher wages and general inflation partially offset by; price, lower raw material costs, and restructuring savings of $4M

Lower sales and production volumes

- Aerospace & Defense driven by supply chain improvement in the Americas and improved build rates in EMEA
- Energy down due to customer order timing in EMEA
- General Engineering down due to lower activity, primarily in EMEA
- Transportation weakness due to lower volumes in EMEA



Commercial and Operational Excellence

Positioning for growth

- Strategic initiatives making headway despite market conditions
- Prioritizing operational excellence initiatives
- Continue to focus on customer service levels while optimizing inventory turns
- Innovation driving strong new product growth

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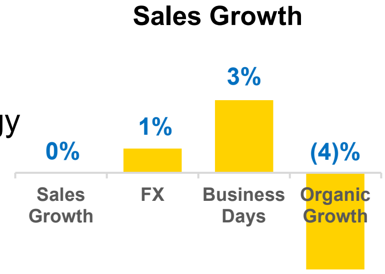
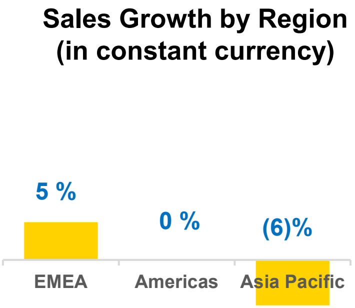
Aerospace and Defense initiatives continue to gain traction

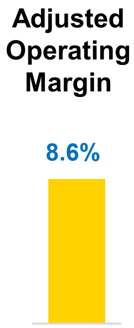
Organic sales decline (4)%

Sales of $184 million

- **Regional Sales**
  - EMEA – Aerospace & Defense and Earthworks partially offset by General Engineering
  - Americas – Aerospace & Defense and Energy offset by Earthworks
  - Asia Pacific – Earthworks partially offset by General Engineering and Energy



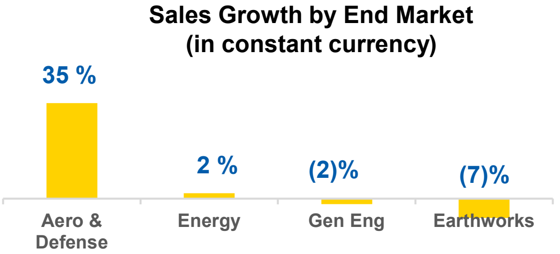




- **Adjusted operating margin of 8.6% above prior year 670 bps**
  - Price / raw material timing, net insurance proceeds of $2M, IRA* advanced manufacturing credit of $2M, and restructuring savings of $2M
  - Partially offset by lower production volumes, higher wages and general inflation

Growth initiatives partially offset end-market weakness

- Aerospace & Defense driven by growth initiatives and project timing in EMEA and Americas
- Energy due to project timing in the Americas partially offset by lower demand in EMEA
- General Engineering decline in EMEA due to lower industrial activity partially offset by growth in Asia Pacific
- Earthworks decline due to order timing, lower customer investment in Asia Pacific, and lower mining activity in the Americas with a mine closure partially offset by higher activity in EMEA



Commercial and Operational Excellence

Positioning for growth

- Strategic initiatives making progress despite challenging market headwinds
- Leveraging Lean to drive productivity and margin improvement
- Strengthening organizational capabilities to deliver growth, operating margin expansion, and improved working capital
- Innovation driving new product growth

* Inflation Reduction Act

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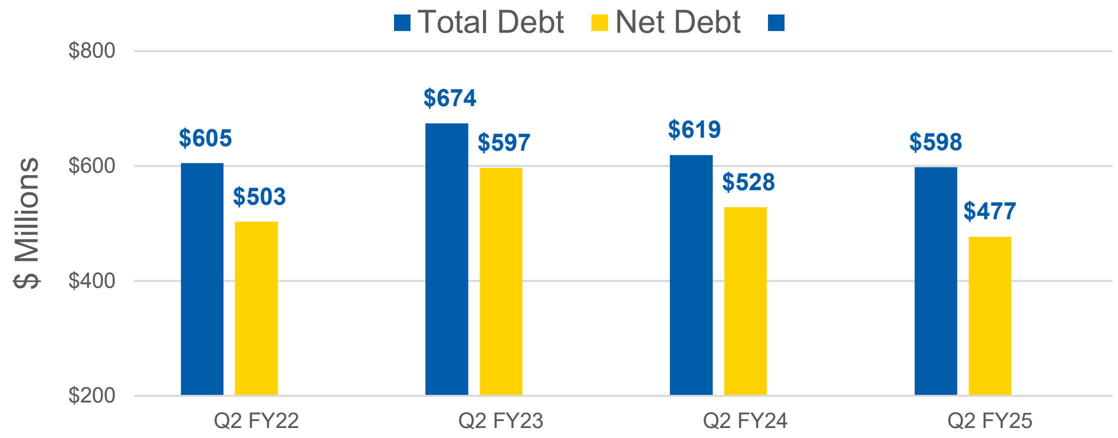
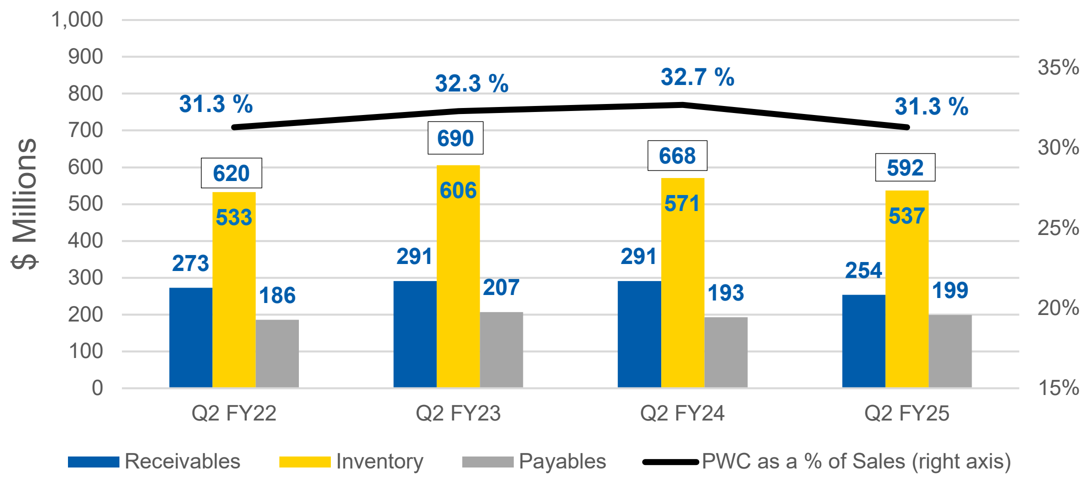
Strong cash flow from operations continues



Primary Working Capital



Share Repurchases & Debt Profile

- **$200M 3-year share repurchase program**
  - Q2: **$15M** purchased; **525K** shares
- **Debt profile**
  - Two $300M notes mature June 2028 & March 2031
  - $700M revolver matures June 2027
  - Covenant ratio well within limits

Consolidated Results ($ in millions)	FY25 YTD	FY24 YTD
Net Cash from Operating Activities	$101	$88
Capital Expenditures, Net	$(44)	$(52)
Free Operating Cash Flow (FOCF)	$57	$36
Dividends	$(31)	$(32)

Q3 FY25 Outlook

FY25 THIRD QUARTER OUTLOOK

Sales

$480 - $500M

~ (6)% - (2)%	~ 2%	~(3)%
Volume growth	Price realization	Foreign exchange

Adjusted Effective Tax Rate	Interest Expense	Adjusted EPS
~27.5%	~$7M	$0.20 - $0.30

OUTLOOK CONSIDERS THE FOLLOWING ASSUMPTIONS

- Inflationary environment continues to moderate
  Excludes any tariff impacts
- Year over Year sales growth reflects:
  - **Transportation:** Decline
  - **Energy:** Slight Decline
  - **Aerospace & Defense:** Slight Growth
  - **General Engineering:** Slight Decline
  - **Earthworks:** Slight Decline
- Pricing to cover raw material, wage and general cost increases on a dollar basis.
- Pension (non-cash) headwind of ~$1M compared to Q3 FY24
  Foreign exchange headwind of ~$3M compared to Q3 FY24

FY25 Outlook

FY25 TOTAL YEAR OUTLOOK

Sales

$1.950- $2.0B

~(5)% – (2)%	~2%	~(2)%
Volume growth	Price realization	Foreign exchange

Interest Expense	Adjusted Effective Tax Rate	Adjusted EPS	Depreciation & Amortization
~$27M	~27.5%	$1.05- $1.30	~$135M

Capital Spending	Primary Working Capital (% of sales)	Free Operating Cash Flow (FOCF)	Share Repurchase
~$100M	~30% by fiscal year end	>125% of adjusted net income	Offset dilution from compensation programs, at a minimum

OUTLOOK CONSIDERS THE FOLLOWING ASSUMPTIONS

- Inflationary environment continues to moderate
  Excludes any tariff impacts
- Revenue Assumptions Year over Year
  - **Transportation:** Decline
  - **Gen Engineering:** Slight Decline
  - **Aerospace & Defense:** Slight growth
  - **Energy:** Slight Decline
  - **Earthworks:** Slight Decline
- Pricing to cover raw material, wage and general cost increases, on a dollar basis. Tungsten prices expected to be flat
- Pension (non-cash) headwind of ~$4M compared to FY24
  Foreign exchange headwind of ~$8M compared to FY24
- Restructuring savings of ~$14M included mainly in first half
  Run-rate savings of ~$15M for new actions included mainly in Q4

A compelling investment opportunity driven by value creation

Three Value Creation Pillars

DELIVERING GROWTH

Growing Above Market

- Innovative solutions
- Best in class customer service
- Applications support
- Material science expertise
- Commercial Excellence

CONTINUOUS IMPROVEMENT

Doing Things Better

- Operational Excellence
- Enterprise-wide Lean
- Business system & tools

PORTFOLIO OPTIMIZATION

Right Products, Right Places

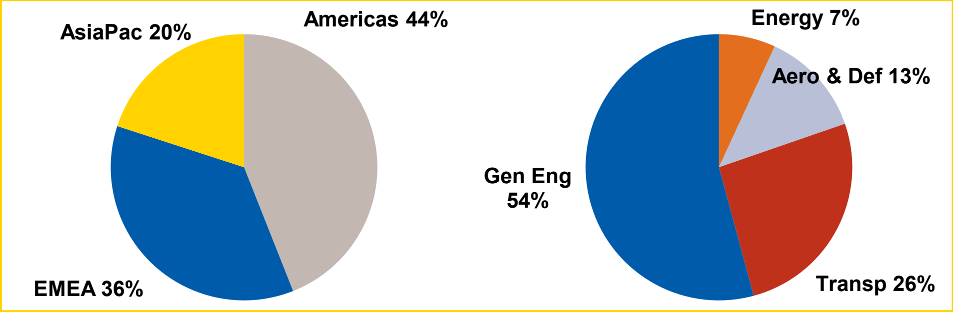
- Optimize product & business portfolio
- Inorganic growth
- Sustain investment-grade rating

Sustainable Competitive Advantages | **Above Market Growth** | **Margin Expansion & Strong Cash Flow** | **Balanced Capital Allocation**

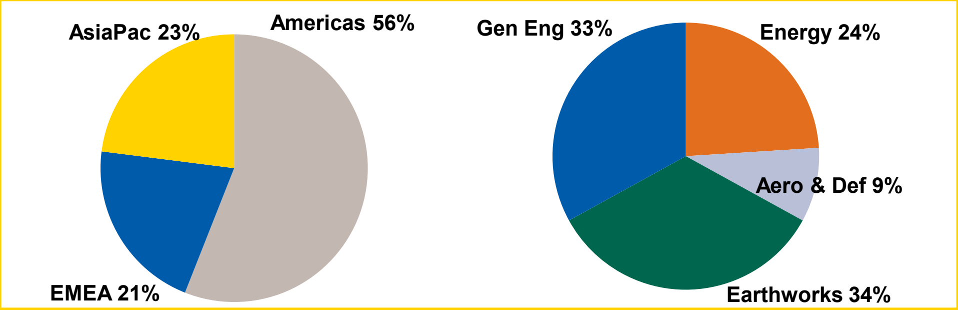
Appendix

Sales decline due to weak market conditions

Metal Cutting



Infrastructure



Quarter Ending December 31, 2024

($ in millions)		Q2 FY25		
	% of KMT total	Metal Cutting	Infrastructure	Total
Sales		**$298**	**$184**	**$482**
Organic		**(7)%**	**(4)%**	**(6)%**
FX		**0%**	**1%**	**0%**
Business Days		**3%**	**3%**	**3%**
Constant Currency Regional Growth:				
Americas	*49%*	0%	0%	0%
EMEA	*30%*	(10)%	5%	(7)%
AsiaPac	*21%*	(1)%	(6)%	(3)%
Constant Currency End Market Growth:				
General Engineering	*46%*	(4)%	(2)%	(4)%
Energy	*14%*	(1)%	2%	1%
Transportation	*16%*	(9)%	N/A	(9)%
Earthworks	*13%*	N/A	(7)%	(7)%
Aerospace & Defense	*11%*	7%	35%	14%
Adjusted Operating Income		**$18**	**$16**	**$33**
Adjusted Operating Margin		**6.0%**	**8.6%**	**6.9%**

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Strong balance sheet

ASSETS *($ in millions)*	**December 31, 2024**	**June 30, 2024**
Cash and cash equivalents	$121	$128
Accounts receivable, net	254	303
Inventories	537	515
Other current assets	57	57
Total current assets	969	1,003
Property, plant and equipment, net	910	938
Goodwill and other intangible assets, net	345	353
Other assets	212	210
Total assets	$2,436	$2,504
LIABILITIES *($ in millions)*		
Revolving and other lines of credit and notes payable	$1	$1
Accounts payable	199	192
Other current liabilities	182	223
Total current liabilities	382	416
Long-term debt	596	596
Other liabilities	197	203
Total liabilities	1,176	1,215
Kennametal Shareowners' Equity	1,220	1,250
Noncontrolling interest	40	39
Total liabilities and equity	$2,436	$2,504

Non-GAAP Reconciliations

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

Accordingly, we have compiled below certain definitions and reconciliations as required by Regulation G. Reconciliations to the most directly comparable GAAP financial measures for the following forward-looking non-GAAP financial measures for the third quarter and full fiscal year of 2025 have not been provided, including but not limited to: FOCF, adjusted operating income, adjusted net income, adjusted EPS, adjusted ETR and primary working capital. The most comparable GAAP financial measures are net cash flow from operating activities, operating income, net income attributable to Kennametal, ETR and working capital (defined as current assets less current liabilities), respectively. Primary working capital is defined as accounts receivable, net plus inventories, net minus accounts payable. Because the non-GAAP financial measures on a forward-looking basis are subject to uncertainty and variability as they are dependent on many factors - including, but not limited to, the effect of foreign currency exchange fluctuations, impacts from potential acquisitions or divestitures, gains or losses on the potential sale of businesses or other assets, restructuring costs, asset impairment charges, gains or losses from early extinguishment of debt, the tax impact of the items above and the impact of tax law changes or other tax matters - reconciliations to the most directly comparable forward-looking GAAP financial measures are not available without unreasonable effort.

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

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

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

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Non-GAAP Reconciliations (cont'd)

Constant Currency End Market Sales Growth (Decline)

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

EBITDA

EBITDA is a non-GAAP financial measure and is defined as net income attributable to Kennametal (which is the most directly comparable GAAP measure), with interest expense, interest income, 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.

Adjusted Return on Invested Capital

Adjusted ROIC is a non-GAAP financial measure and is defined by the Company as the previous twelve months' net income, adjusted for interest expense, non-controlling interest and special items, divided by the sum of the previous 5 quarters' average balances of debt and total equity. The most directly comparable GAAP measure is return on invested capital calculated utilizing GAAP net income. Management believes that adjusted ROIC provides additional insight into the underlying capital structure and performance of the Company.

(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.

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Adjusted Results - Q2

($ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income[5]	Diluted EPS	Effective Tax Rate
Q2 FY25 Reported Results	$ 482.1	$ 145.0	$ 109.3	$ 31.7	$ 17.9	$ 0.23	29.4 %
Reported Margins		30.1 %	22.7 %	6.6 %			
Restructuring and related charges	—	—	(0.1)	1.4	1.2	0.01	16.7
Differences in projected annual tax rates	—	—	—	—	0.5	0.01	(19.2)
Q2 FY25 Adjusted Results	$ 482.1	$ 145.0	$ 109.2	$ 33.1	$ 19.6	$ 0.25	26.9 %
Q2 FY25 Adjusted Margins		30.1 %	22.7 %	6.9 %			

[5] Attributable to Kennametal Shareholders.

($ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income(5)	Diluted EPS	Effective Tax Rate
Q2 FY24 Reported Results	$ 495.3	$ 139.6	$ 107.3	$ 28.5	$ 23.1	$ 0.29	(9.0)%
Reported Margins		28.2 %	21.7 %	5.7 %			
Restructuring and related charges	—	—	—	1.0	0.9	0.01	14.3
Differences in projected annual tax rates	—	—	—	—	—	—	(13.3)
Q2 FY24 Adjusted Results	$ 495.3	$ 139.6	$ 107.3	$ 29.5	$ 24.0	$ 0.30	(8.0)%
Q2 FY24 Adjusted Margins		28.2 %	21.7 %	6.0 %			

Adjusted EBITDA and EBITDA Margin - Q2

	Three Months Ended December 31,	
($ in millions, except percents)	2024	2023
Net income attributable to Kennametal, reported	$ 17.9	$ 23.1
Add back:		
Interest expense	6.2	6.8
Interest income	(0.5)	(0.4)
Provision for income taxes	7.9	(2.0)
Depreciation	31.3	30.0
Amortization	2.7	2.7
EBITDA	$ 65.5	$ 60.4
Margin	13.6 %	12.2 %
Adjustments:		
Restructuring and related charges	1.4	1.0
Adjusted EBITDA	$ 66.9	$ 61.4
Adjusted Margin	13.9 %	12.4 %

Adjusted Segment Operating Income and Margins - Q2

($ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q2 FY25 Reported Results	$ 297.8	$ 16.6	$ 184.3	$ 15.6
Reported Operating Margin		5.6 %		8.5 %
Restructuring and related charges	—	1.2	—	0.2
Q2 FY25 Adjusted Results	$ 297.8	$ 17.8	$ 184.3	$ 15.8
Q2 FY25 Adjusted Operating Margin		6.0 %		8.6 %

($ in millions, except percents)	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q2 FY24 Reported Results	$ 311.4	$ 25.5	$ 183.9	$ 3.2
Reported Operating Margin		8.2 %		1.8 %
Restructuring and related charges	—	0.7	—	0.3
Q2 FY24 Adjusted Results	$ 311.4	$ 26.2	$ 183.9	$ 3.6
Q2 FY24 Adjusted Operating Margin		8.4 %		1.9 %

Organic Sales Growth (Decline) - Q2

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

Three Months Ended December 31, 2023	Metal Cutting	Infrastructure	Kennametal
Organic sales decline	— %	(8)%	(3)%
Foreign currency exchange effect	2	1	1
Business days effect	2	—	2
Sales growth (decline)	4 %	(7)%	— %

Constant Currency Regional Sales Growth (Decline) - Q2 FY25

Metal Cutting			
Three Months Ended December 31, 2024	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	— %	(10)%	(1)%
Foreign currency exchange effect	(2)	1	1
Regional sales decline	(2)%	(9)%	— %

Infrastructure			
Three Months Ended December 31, 2024	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth (decline)	— %	5 %	(6)%
Foreign currency exchange effect	(1)	4	1
Regional sales (decline) growth	(1)%	9 %	(5)%

Kennametal			
Three Months Ended December 31, 2024	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	— %	(7)%	(3)%
Foreign currency exchange effect	(2)	2	1
Regional sales decline	(2)%	(5)%	(2)%

KENNAMETAL

Constant Currency Regional Sales Growth (Decline) - Q2 FY24

Metal Cutting			
Three Months Ended December 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales growth	1 %	4 %	— %
Foreign currency exchange effect	1	5	(1)
Regional sales growth (decline)	2 %	9 %	(1)%

Infrastructure			
Three Months Ended December 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales decline	(12)%	(1)%	— %
Foreign currency exchange effect	—	3	(1)
Regional sales (decline) growth	(12)%	2 %	(1)%

Kennametal			
Three Months Ended December 31, 2023	**Americas**	**EMEA**	**Asia Pacific**
Constant currency regional sales (decline) growth	(5)%	3 %	— %
Foreign currency exchange effect	—	4	(1)
Regional sales (decline) growth	(5)%	7 %	(1)%

Constant Currency End Market Sales Growth (Decline) - Q2 FY25

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	(1)	—	—	—
End market sales (decline) growth	(5)%	(9)%	7 %	(1)%

Infrastructure

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

Kennametal

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

Constant Currency End Market Sales Growth (Decline) - Q2 FY24

Metal Cutting

Three Months Ended December 31, 2023	General Engineering	Transportation	Aerospace & Defense	Energy
Constant currency end market sales growth (decline)	1 %	4 %	6 %	(3)%
Foreign currency exchange effect	2	2	1	2
End market sales growth (decline)	3 %	6 %	7 %	(1)%

Infrastructure

Three Months Ended December 31, 2023	Energy	Earthworks	General Engineering	Aerospace & Defense
Constant currency end market sales decline	(4)%	(5)%	(10)%	(14)%
Foreign currency exchange effect	1	(1)	—	4
End market sales decline	(3)%	(6)%	(10)%	(10)%

Kennametal

Three Months Ended December 31, 2023	Energy	Earthworks	General Engineering	Transportation	Aerospace & Defense
Constant currency end market sales (decline) growth	(3)%	(5)%	(2)%	4 %	— %
Foreign currency exchange effect	1	(1)	1	2	2
End market sales (decline) growth	(2)%	(6)%	(1)%	6 %	2 %

Net Debt and Free Operating Cash Flow

Net Debt	**Three Months Ended**			
(in millions)	**12/31/2024**	**12/31/2023**	**12/31/2022**	**12/31/2021**
Total debt (gross)	$ 597.8	$ 618.9	$ 673.6	$ 605.0
Less: cash and cash equivalents	121.2	90.7	76.8	101.8
Net debt	$ 476.6	$ 528.2	$ 596.8	$ 503.2

	Six Months Ended December 31,	
(in millions)	**2024**	**2023**
Net cash flow provided by operating activities	$ 100.9	$ 88.3
Purchases of property, plant and equipment	(44.0)	(57.5)
Proceeds from disposals of property, plant and equipment	0.4	5.2
Free operating cash flow	$ 57.3	$ 36.0

Primary Working Capital – Q2 FY25

(in thousands, except percents)	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023	Average
Current assets	$ 968,774	$ 1,003,869	$ 1,002,592	$ 999,937	$ 1,009,820	
Current liabilities	382,228	398,386	415,961	413,245	414,108	
Working capital, GAAP	$ 586,546	$ 605,483	$ 586,631	$ 586,692	$ 595,712	
Excluding items:						
Cash and cash equivalents	(121,151)	(119,588)	(127,971)	(92,119)	(90,735)	
Other current assets	(56,848)	(58,390)	(57,179)	(56,708)	(57,753)	
Total excluded current assets	(177,999)	(177,978)	(185,150)	(148,827)	(148,488)	
Adjusted current assets	790,775	825,891	817,442	851,110	861,332	
Revolving and other lines of credit and notes payable	(1,370)	(1,426)	(1,377)	(12,302)	(23,315)	
Other current liabilities	(182,346)	(195,052)	(223,043)	(208,174)	(197,791)	
Total excluded current liabilities	(183,716)	(196,478)	(224,420)	(220,476)	(221,106)	
Adjusted current liabilities	198,512	201,908	191,541	192,769	193,002	
Primary working capital	$ 592,263	$ 623,983	$ 625,901	$ 658,341	$ 668,330	$ 633,764

	Three Months Ended				
	12/31/2024	9/30/2024	6/30/2024	3/31/2024	Total
Sales	$ 482,051	$ 481,948	$ 543,308	$ 515,794	$ 2,023,101
Primary working capital as a percentage of sales					31.3 %

Primary Working Capital – Q2 FY24

(in thousands, except percents)	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	Average
Current assets	$ 1,009,820	$ 1,010,555	$ 1,026,789	$ 1,079,035	$ 1,048,303	
Current liabilities	414,108	419,846	433,975	488,729	494,334	
Working capital, GAAP	$ 595,712	$ 590,709	$ 592,814	$ 590,306	$ 553,969	
Excluding items:						
Cash and cash equivalents	(90,735)	(95,098)	(106,021)	(93,474)	(76,784)	
Other current assets	(57,753)	(56,457)	(55,825)	(76,607)	(74,723)	
Total excluded current assets	(148,488)	(151,555)	(161,846)	(170,081)	(151,507)	
Adjusted current assets	861,332	859,000	864,943	908,954	896,796	
Revolving and other lines of credit and notes payable	(23,315)	(31,179)	(689)	(64,055)	(78,805)	
Other current liabilities	(197,791)	(191,298)	(229,945)	(227,516)	(208,807)	
Total excluded current liabilities	(221,106)	(222,477)	(230,634)	(291,571)	(287,612)	
Adjusted current liabilities	193,002	197,369	203,341	197,158	206,722	
Primary working capital	$ 668,330	$ 661,631	$ 661,602	$ 711,796	$ 690,074	$ 678,687

	Three Months Ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	Total
Sales	$ 495,320	$ 492,476	$ 550,234	$ 536,036	$ 2,074,066
Primary working capital as a percentage of sales					32.7 %

Primary Working Capital – Q2 FY23

(in thousands, except percents)	12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2021	Average
Current assets	$ 1,048,303	$ 1,011,486	$ 1,024,708	$ 1,043,241	$ 984,201	
Current liabilities	494,334	497,488	485,610	460,365	410,983	
Working capital, GAAP	$ 553,969	$ 513,998	$ 539,098	$ 582,876	$ 573,218	
Excluding items:						
Cash and cash equivalents	(76,784)	(64,568)	(85,586)	(99,982)	(101,799)	
Other current assets	(74,723)	(76,732)	(72,940)	(69,582)	(76,794)	
Total excluded current assets	(151,507)	(141,300)	(158,526)	(169,564)	(178,593)	
Adjusted current assets	896,796	870,186	866,182	873,677	805,608	
Revolving and other lines of credit and notes payable	(78,805)	(85,239)	(21,186)	(28,736)	(12,228)	
Other current liabilities	(208,807)	(206,309)	(236,537)	(233,942)	(212,898)	
Total excluded current liabilities	(287,612)	(291,548)	(257,723)	(262,678)	(225,126)	
Adjusted current liabilities	206,722	205,940	227,887	197,687	185,857	
Primary working capital	$ 690,074	$ 664,246	$ 638,295	$ 675,990	$ 619,751	$ 657,671

	Three Months Ended				
	12/31/2022	9/30/2022	6/30/2022	3/31/2022	Total
Sales	$ 497,121	$ 494,792	$ 530,016	$ 512,259	$ 2,034,188
Primary working capital as a percentage of sales					32.3 %

Primary Working Capital – Q2 FY22

(in thousands, except percents)	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	Average
Current assets	$ 984,201	$ 966,948	$ 1,004,807	$ 966,916	$ 948,686	
Current liabilities	410,983	389,223	437,394	425,553	402,641	
Working capital, GAAP	$ 573,218	$ 577,725	$ 567,413	$ 541,363	$ 546,045	
Excluding items:						
Cash and cash equivalents	(101,799)	(107,316)	(154,047)	(114,307)	(103,188)	
Other current assets	(76,794)	(74,906)	(71,470)	(73,235)	(73,123)	
Total excluded current assets	(178,593)	(182,222)	(225,517)	(187,542)	(176,311)	
Adjusted current assets	805,608	784,726	779,290	779,374	772,375	
Revolving and other lines of credit and notes payable	(12,228)	(368)	(8,365)	(18,745)	(34,979)	
Other current liabilities	(212,898)	(211,778)	(251,370)	(242,327)	(233,509)	
Total excluded current liabilities	(225,126)	(212,146)	(259,735)	(261,072)	(268,488)	
Adjusted current liabilities	185,857	177,077	177,659	164,481	134,153	
Primary working capital	$ 619,751	$ 607,649	$ 601,631	$ 614,893	$ 638,222	$ 616,429

	Three Months Ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	Total
Sales	$ 486,673	$ 483,509	$ 515,971	$ 484,658	$ 1,970,811
Primary working capital as a percentage of sales					31.3 %