

FY22 Fourth Quarter and Year-end Earnings Call Presentation

August 2, 2022



Safe Harbor Statement

Certain statements in this release may be forward-looking in nature, or “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about Kennametal’s outlook for earnings, sales volumes, cost controls, cash flow, capital expenditures, working capital, and effective tax rate for fiscal year 2022 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 Russia’s invasion of Ukraine and the imposition of sanctions; uncertainties related to the effects of the ongoing COVID-19 pandemic, including the emergence of more contagious or virulent strains of the virus, its impacts on our business operations, financial results and financial position and on the industries in which we operate and the global economy generally, including as a result of travel restrictions, business and workforce disruptions associated with the pandemic, ; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability, including the conflict in Ukraine; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; potential for future goodwill and other intangible asset impairment charges; our ability to protect and defend our intellectual property; continuity of information technology infrastructure; competition; our ability to retain our management and employees; demands on management resources; availability and cost of the raw materials we use to manufacture our products; product liability claims; integrating acquisitions and achieving the expected savings and synergies; global or regional catastrophic events; demand for and market acceptance of our products; business divestitures; energy costs; commodity prices; labor relations; and implementation of environmental remediation matters. Many of these risks and other risks are more fully described in Kennametal’s latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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

Strong FY22 results and operating leverage demonstrates strength of transformation and strategic initiatives

FY22 Highlights

- **Sales up 9% as demand recovers and growth initiatives accelerate**
 - 11% organic sales growth vs. (4)% decline prior year; FX headwind of (2)%, business days neutral
 - YoY growth in all segments and regions:
 - Segment organic growth rates: Infrastructure 14%, Metal Cutting 9%
 - Regional growth rates*: Americas 16%, EMEA 10%, AsiaPac 2%
 - End-market growth rates**: Aerospace 23%, Energy 20%, General Engineering 12%, Earthworks 9%, Transportation (1)%
 - Strong pricing actions throughout the year, appropriate in current inflationary environment

- **Significantly improved margins; Adjusted EBITDA margin increased 310 bps year-over-year to 18.1%**
 - Adjusted operating margin increased 340 bps year-over-year to 11.1%
 - Full-year operating leverage very strong, reflecting success in both Commercial and Operational Excellence initiatives
 - Focused on things we can control and remaining nimble in uncertain times

- **Returned \$152 million to shareholders**
 - \$85 million in share repurchases and \$67 in dividends
 - Solid free operating cash flow of \$85M, despite higher raw material costs and strategically building safety stock

- **Earnings per share increases >70%: Reported \$1.72; Adjusted \$1.78 (vs. \$1.04 prior year)**

* Constant Currency Regional Sales Growth

** Constant Currency End markets Sales Growth

Q4 results highlight continuing growth offset by high inflation, FX and other macro headwinds

Q4 FY22 Highlights

▪ Price and growth initiatives driving sales

- Sales up 3% YoY to \$530 million; organic growth 7% with (4)% effect due to fx and no effect due to business days
- Effect of Russian business exit and China COVID lockdown ~\$14 million
- Segment YoY organic growth rates: Metal Cutting 7%, Infrastructure 7%
- Regional YoY growth rates*: Americas 10%, EMEA 6%, AsiaPac 3%
- YoY growth across all end-markets**:
 - double-digit growth in Aerospace, Energy and Earthworks
 - mid-single digit growth in Transportation and General Engineering

▪ Pricing and Operational Excellence offsetting inflationary pressures

- Adjusted EBITDA margin flat ~19.1% vs. 19.2% PY
- Adjusted operating margin declines slightly by (50) bps to 12.3% from 12.8% prior year
- Price offsetting raw material cost increases, Operational Excellence initiatives, volume and lower incentive compensation mostly mitigate higher manufacturing costs including costs from depreciation, COVID-19 absenteeism and supply chain constraints and FX

▪ Returned \$52 million to the shareholders

- \$35 million in share repurchases and \$17 in dividends
- Solid free operating cash flow of \$52M, despite building safety stock and higher raw material cost

▪ Earnings per share: Reported \$0.50; Adjusted \$0.53 (vs. \$0.53 prior year)

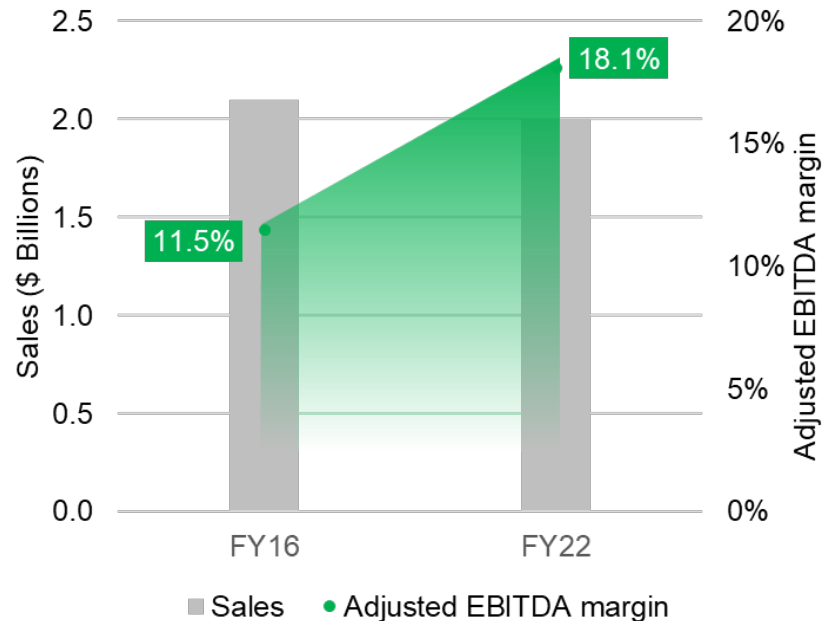
* Constant Currency Regional Sales Growth

** Constant Currency End Market Sales Growth

Transformation evident with significant 660 bps margin improvement

Financial performance post-FY16

Sales and Adjusted EBITDA margin
FY16 vs. FY22



Benefits already realized even at current low volume levels:

- \$85 million from FY17 headcount reduction and ~\$200 million from Simplification/Modernization
- **Commercial Excellence initiatives:**
 - Growth initiatives delivering share gain in targeted end-markets and applications
 - Value-based pricing enabled by product innovation and engineering support
 - Current pricing actions appropriate for high raw material and general cost inflation
- **Operational Excellence initiatives:**
 - Early stages of efficiency projects such as Smart Factory driving productivity gains with more to come
 - Additional margin expansion as volume increases on Simplification/Modernization improvements already complete

Strong competitive position with room to grow through share gain & by targeting underserved markets

Growth Roadmap: FY23 and Beyond



Innovation and Commercial Excellence initiatives continuing to drive share gain

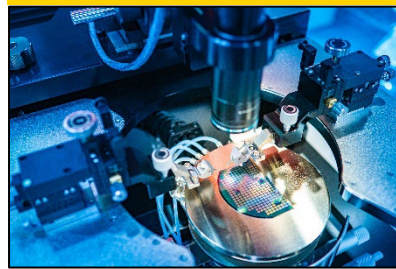
Recent Customer Wins

Electric Vehicles



- Secured first major win in the EV light truck manufacturing space
- Success was due in large part to the performance of our tooling on previous EV wins

Semiconductors



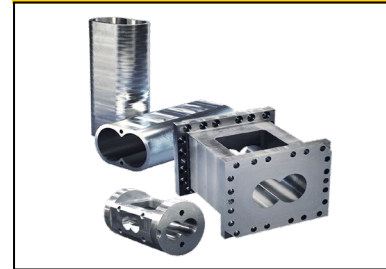
- KMT expertise in complex machining allowed customer to diversify into new product area
- Exceeded all specifications for high metal removal rate, tight tolerance and complex material machining

Landing Gear



- When OEM was re-shoring manufacturing, they looked to KMT for opportunities for continuous improvement
- Win achieved by reducing customer cycle time by ~40% and tooling costs by ~50%

Extrusion Wear



- Superior tungsten carbide cladding technology and focused customer service resulted in win with leading manufacturer of extrusion machines
- Win has opened the door for additional global opportunities to follow

Additive Manufacturing



- Partnership with GE Additive further cements our position as the technology and commercial leader in tungsten carbide additive manufacturing
- Leveraging our proprietary material expertise for serial production on GE's Binder Jet system

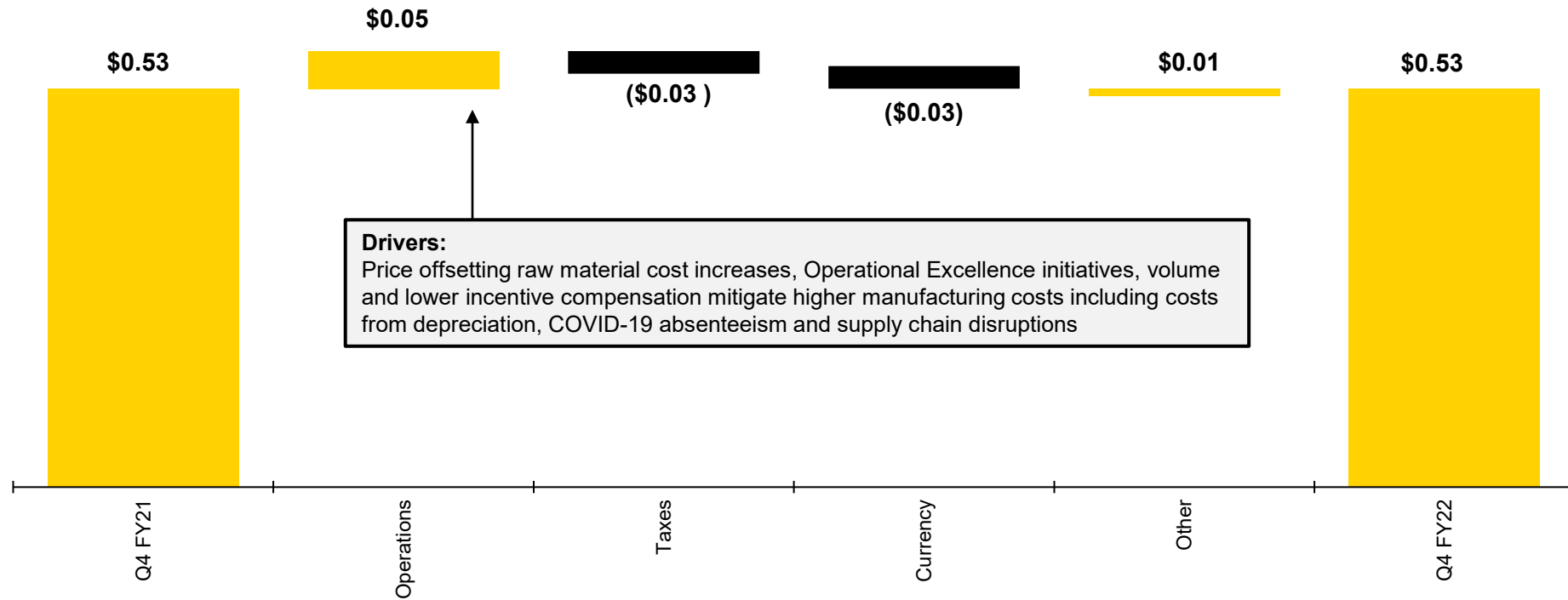
Results reflect strong execution of initiatives in inflationary environment

Consolidated Q4 FY22 Financial Overview

| Quarter Ended (\$ in millions) | Adjusted | Adjusted | | Reported | |
|---|----------------|----------------|---------------|---------------|---------------|
| | | Change from PY | June 30, 2022 | June 30, 2021 | June 30, 2022 |
| Sales | 3% | \$530 | \$516 | \$530 | \$516 |
| Organic | | 7% | 29% | 7% | 29% |
| FX | | (4)% | 6% | (4)% | 6% |
| Business Days | | - | 1% | - | 1% |
| Gross Profit | (4)% | \$171 | \$178 | \$170 | \$176 |
| % of sales | -230 bps | 32.2% | 34.5% | 32.0% | 34.1% |
| Operating Expense | (6)% | \$102 | \$108 | \$103 | \$108 |
| % of sales | -160 bps | 19.3% | 20.9% | 19.4% | 20.9% |
| EBITDA | 2% | \$101 | \$99 | \$99 | \$91 |
| % of sales | -1 bps | 19.1% | 19.2% | 18.6% | 17.6% |
| Operating Income | (2)% | \$65 | \$66 | \$63 | \$61 |
| % of sales | -5 bps | 12.3% | 12.8% | 11.8% | 11.8% |
| Effective Tax Rate | 330 bps | 27.6% | 24.3% | 27.8% | 31.4% |
| EPS (Earnings per Diluted Share) | 0% | \$0.53 | \$0.53 | \$0.50 | \$0.41 |

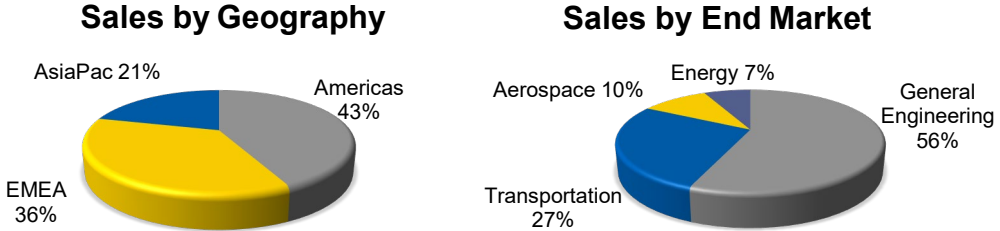
Focus on initiatives offsetting macro environment headwinds

Q4 FY22 Adjusted EPS Bridge



Solid performance despite challenging market dynamics

Metal Cutting Business Segment Q4 FY22 Summary



Q4 FY22 sales \$316 million; organic sales up 7% YoY

- Regional sales trends*: Americas +12%, EMEA +6%, AsiaPac (1)%; FX effect of (6)% and no effect due to business days
- Adjusted operating margin decreased slightly YoY by (40) bps to 11.3% from 11.7%
 - Price offsetting raw material cost increases, Operational Excellence initiatives, volume and lower incentive compensation mostly mitigate higher manufacturing costs including costs from depreciation, COVID-19 absenteeism, supply chain constraints and FX

Strong YoY growth in all end-markets led by Aerospace

- General Engineering YoY growth of 6%**
- Transportation YoY growth of 4%**
- Aerospace YoY increase of 21%**
- Energy 9%** YoY increase, solid performance mainly driven by oil & gas in North America

Commercial and Operational excellence initiatives offsetting market and inflationary challenges

- Commercial Excellence initiatives showing resilience despite market disruptions; continued share growth with key customers
- Strong pricing actions taken; commensurate with the economic environment
- Despite current COVID-19 and labor challenges, Operational Excellence driving productivity improvements with more benefits to come

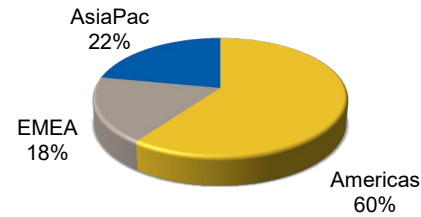
* Constant Currency Regional Sales Growth
** Constant Currency End-Market Sales Growth



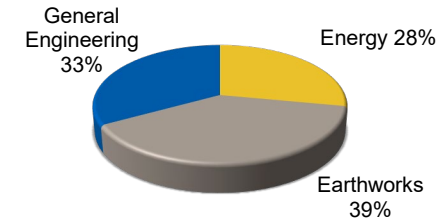
Price and productivity initiatives mitigating effects of inflationary headwinds

Infrastructure Business Segment Q4 FY22 Summary

Sales by Geography



Sales by End Market



Q4 FY22 sales \$214 million; 7% organic sales growth

- Regional sales growth trends*: AsiaPac 9%, Americas 7%, EMEA 5%; FX effect of (2%) and no effect from business days
- Adjusted operating margin decreased YoY by 50 basis points to 14.0% from 14.5% in the prior year quarter
 - Reduced incentive compensation and Operational Excellence initiatives partly mitigate manufacturing performance challenges due mainly to supply chain constraints and inflation
 - Price continues to cover raw material cost increases on a dollar basis

End-markets continuing to improve; YoY growth in all end-markets

- Energy end-market increased 12% YoY **
 - Average US land only rig count improved ~62% YoY
- Earthworks YoY growth of 10% driven by Americas and AsiaPac, offset partially by EMEA **
- General Engineering YoY growth of 1% driven by EMEA and AsiaPac, offset by Americas **

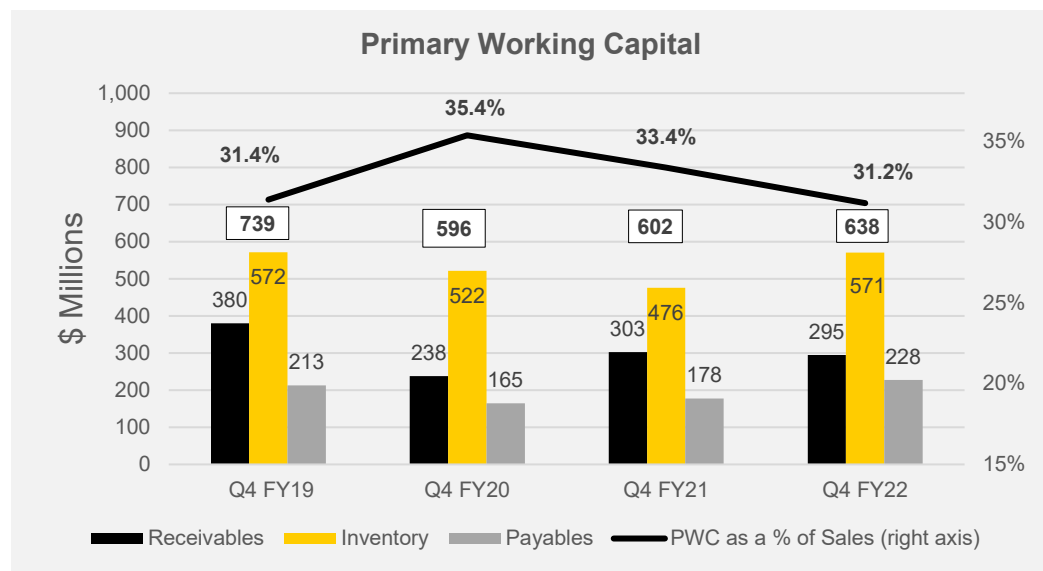
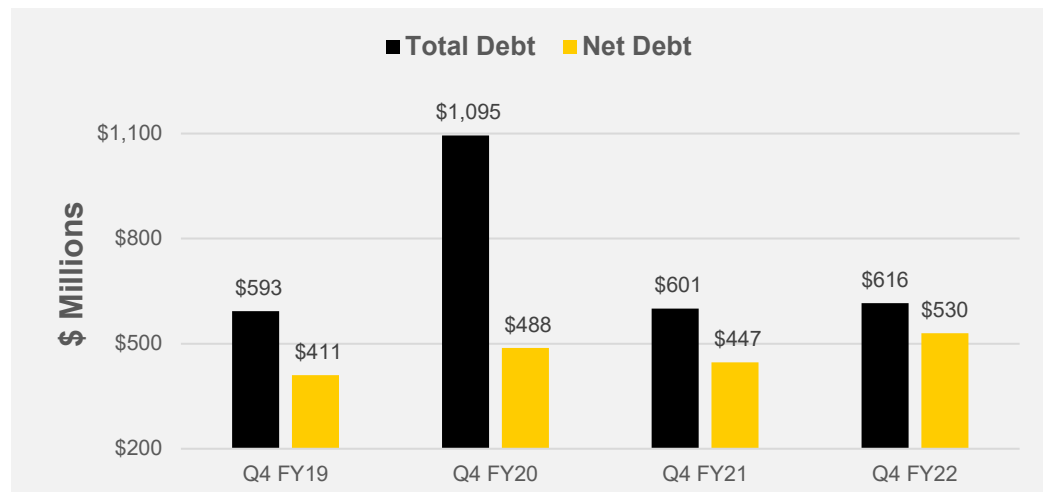
Commercial and Operational Excellence initiatives positioning us well for continued profitable growth

- Strong price actions mitigating raw material cost inflation
- Productivity initiatives exceeded goals and continuing to improve customer service levels

* Constant Currency Regional Sales Growth

** Constant Currency End Market Sales Growth

Strong free operating cash flow, balance sheet and liquidity position



Debt Structure & Covenants

Debt profile

- Two \$300M notes mature June 2028 & March 2031
- \$700M revolver amended and extended
 - Matures June 2027
- Covenant ratio well within limits*

\$200M 3-year share repurchase program

- Q4: \$35M purchased; 1.3M shares
- Since inception: \$85M purchased; 2.7M shares

* definitions as per the credit agreement

| Consolidated Results (\$ in millions) | Q4 FY22 | Q4 FY21 | FY22 | FY21 |
|---|---------|---------|--------|---------|
| Net Cash Provided by Operating Activities | \$88 | \$96 | \$181 | \$236 |
| Capital Expenditures, Net | \$(37) | \$(30) | \$(96) | \$(123) |
| Free Operating Cash Flow (FOCF) | \$52 | \$65 | \$85 | \$113 |
| Dividends | \$(17) | \$(17) | \$(67) | \$(67) |

Q1 Outlook: Focused execution of initiatives despite continuing high inflation, FX & other macro headwinds

Q1 FY23 Outlook

| | |
|--------------------------------|---|
| Sales | \$480M - \$500M (9)-(6)% sequentially, slightly outpacing normal seasonality |
| Adj. Operating Income | ≥ \$45M |
| Adj. Effective Tax Rate | 26 - 28% |

Outlook range reflects the following assumptions:

- Continued growth in Aerospace, Energy, Earthworks and General Engineering
 - Transportation flat sequentially due to continuing supply chain issues
 - Earthworks follows normal seasonal pattern
 - Modest sequential recovery in China
- Normal summer shutdowns in EMEA
- YoY FX headwind expected to be ~\$30M on sales and ~\$6M on operating income
- High inflationary environment continues; price actions expected to cover raw material and other inflation on a dollar basis
- Price is expected to be ~\$30 million of sales increase; volume increases at typical operating leverage
- Pension income lower by ~\$4 million due to lower return assumption

FY23 Outlook: Execution of strategic initiatives continues to drive progress throughout the year

FY23 Total Year Outlook

| | |
|---|--|
| Price vs. Inflation | Pricing action expected to offset raw material costs, wage and general inflation |
| Adj. Effective Tax Rate | 26% - 28% (vs. 27.2% in FY22) |
| Depreciation & Amortization | ~\$140 - \$145 (up \$15 - \$20M YoY) |
| Capital Spending | ~\$100 - \$120M (vs. \$97M in FY22) |
| Primary Working Capital (% of sales) | 31 - 33% throughout the year |
| Free Operating Cash Flow (FOCF) | ~100% of adjusted net income |
| Share Repurchase | Continue to execute \$200M 3-year program |

Outlook reflects Q1 assumptions as well as the following:

- High inflation continues through the year
- End-markets continue to recover:
 - Transportation – supply chain constraints continue
 - Energy – strength continues
 - Aerospace – strength continues; more upside than downside
 - Earthworks – mining strong, construction neutral to positive, Infrastructure Bill benefits not yet realized
 - General Engineering – linked to overall industrial production trends
- No additional disruption in Europe from Ukraine conflict or energy availability / price
- Pension income lower by ~\$14 million due to lower return assumption (non-cash)

Strong balance sheet and cashflow supports reinvestment and cash to shareholders

Capital Allocation Strategy

| FY16 - FY21: Margin and Footprint Focus | | FY22 and beyond: Margin and Growth Focus | |
|---|---|--|--|
| Cash Allocation Priorities | | Cash Allocation Priorities | |
| Simplification/Modernization | <ul style="list-style-type: none"> Incremental \$300M capital invested over 3 years Cash restructuring of ~\$200M Workforce reduced by ~20% Footprint reduced by 6 plants | Capital investment | <ul style="list-style-type: none"> Sustain modernized manufacturing Smart Factory and other productivity initiatives Digital Customer Experience |
| Cash returned to shareholders | <ul style="list-style-type: none"> Dividends maintained | Returning cash to shareholders | <ul style="list-style-type: none"> Committed to quarterly dividend At a minimum, repurchase shares to offset dilution from equity compensation program Opportunistic repurchases when price is below long-term intrinsic value Committed to investment grade credit rating |
| | | M&A | <ul style="list-style-type: none"> Staying within core areas of expertise Targets likely bolt-on (in size) and in underserved regions or end-markets |

Modernized footprint and balanced capital allocation strategy for growth and margin improvement

Foundation and strategy in place for future outperformance

Strong FY22 despite macro challenges sets strong base for further advancing our strategy

- Improved cost structure sets strong base for efficient manufacturing
 - FY22 adjusted EBITDA margins: 310 bps higher than FY21 and 660 bps higher than pre-Simplification/Modernization
- Growth from market and Commercial Excellence initiatives accelerating
 - Innovative products provide leading positions in targeted end-markets and applications

Operational and Commercial Excellence initiatives enable share gain and higher margins

- Proven ability to focus on things we can control and remaining nimble in an uncertain environment
- Operational Excellence initiatives
 - Driving further productivity improvements like Smart factory in modernized facilities
- Commercial Excellence initiatives
 - Rate-of-return driven commercial team driving targeted growth and market share gains

Executing balanced capital allocation

- Investing in factories to maintain world-class manufacturing and continually improve productivity
- Returning cash to shareholders through dividends and share repurchase programs
- Supplementing organic growth through M&A

Appendix



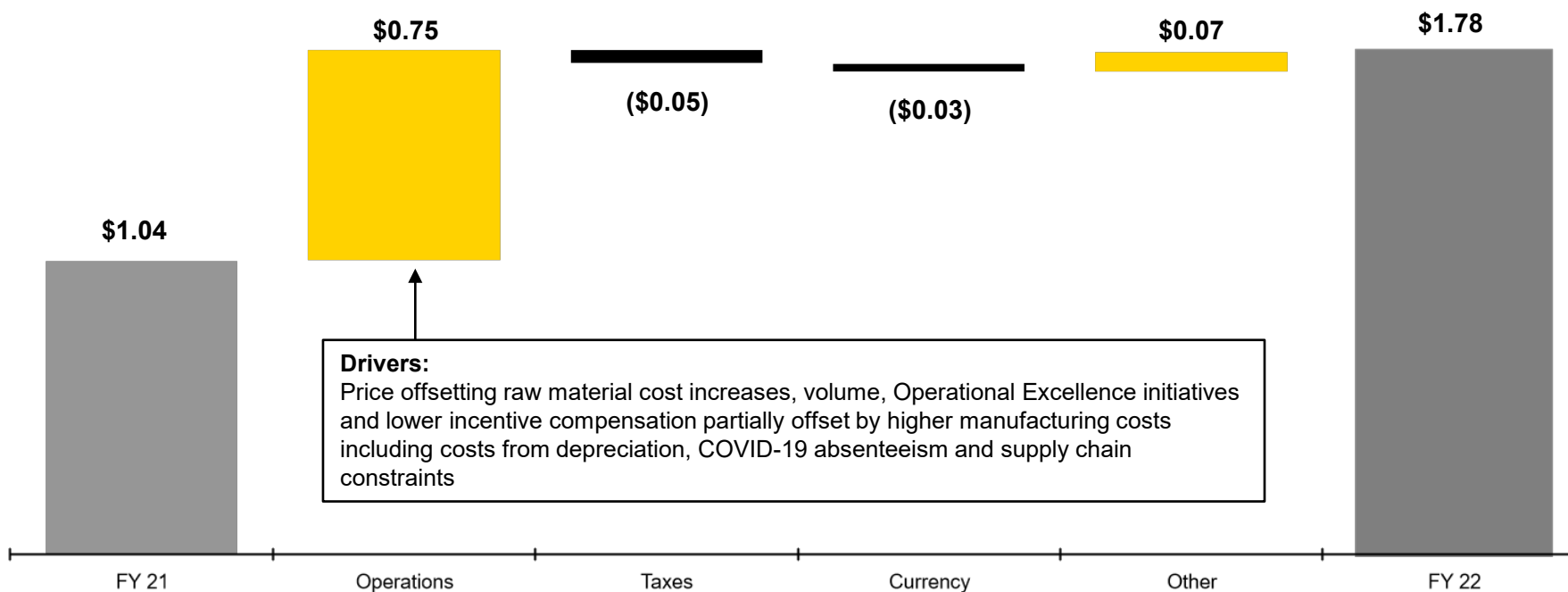
Margin improvement driven by strong execution of initiatives

Consolidated FY22 Financial Results

| Quarter Ended (\$ in millions) | Change from PY | Adjusted | | Reported | |
|---|----------------|----------------|----------------|----------------|----------------|
| | | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| Sales | 9% | \$2,012 | \$1,841 | \$2,012 | \$1,841 |
| Organic | | 11% | (4)% | 11% | (4)% |
| FX | | (2)% | 2% | (2)% | 2% |
| Business Days | | —% | —% | —% | —% |
| Gross Profit | 16% | \$655 | \$564 | \$648 | \$552 |
| % of sales | 190 bps | 32.5% | 30.6% | 32.2% | 30.0% |
| Operating Expense | 3% | \$418 | \$407 | \$419 | \$407 |
| % of sales | -130 bps | 20.8% | 22.1% | 20.8% | 22.1% |
| EBITDA | 32% | \$364 | \$276 | \$358 | \$233 |
| % of sales | 310 bps | 18.1% | 15.0% | 17.8% | 12.6% |
| Operating Income | 57% | \$224 | \$143 | \$218 | \$102 |
| % of sales | 340 bps | 11.1% | 7.7% | 10.8% | 5.5% |
| Effective Tax Rate | 360 bps | 27.2% | 23.6% | 27.3% | 9.7% |
| EPS (Earnings per Diluted Share) | 71% | \$1.78 | \$1.04 | \$1.72 | \$0.65 |

Price, volume and execution of initiatives driving strong EPS growth

FY22 Adjusted EPS Bridge



All end-markets recovering; aerospace, general engineering and energy at double-digit YoY growth

Adjusted Segment Results

Period Ending June 30, 2022

(\$ in millions)

| | Q4 FY22 | | | Fiscal Year 2022 | | |
|---|---------------|----------------|-------|------------------|----------------|---------|
| | Metal Cutting | Infrastructure | Total | Metal Cutting | Infrastructure | Total |
| Sales | \$316 | \$214 | \$530 | \$1,227 | \$785 | \$2,012 |
| Organic | 7% | 7% | 7% | 9% | 14% | 11% |
| FX | (6)% | (2)% | (4)% | (2)% | 0% | (2)% |
| Constant Currency Regional Growth: | | | | | | |
| Americas | 12% | 7% | 10% | 14% | 18% | 16% |
| EMEA | 6% | 5% | 6% | 10% | 10% | 10% |
| AsiaPac | (1)% | 9% | 3% | (2)% | 7% | 2% |
| Constant Currency End-Market Growth: | | | | | | |
| Energy | 9% | 12% | 11% | 6% | 27% | 20% |
| General Engineering | 6% | 1% | 5% | 13% | 10% | 12% |
| Transportation | 4% | N/A | 4% | (1)% | N/A | (1)% |
| Aerospace | 21% | N/A | 21% | 23% | N/A | 23% |
| Earthworks | N/A | 10% | 10% | N/A | 9% | 9% |
| Adjusted Operating Income | \$36 | \$30 | \$65 | \$127 | \$99 | \$224 |
| Adjusted Operating Margin | 11.3% | 14.0% | 12.3% | 10.4% | 12.6% | 11.1% |

Balance Sheet

| ASSETS (<i>\$ in millions</i>) | June 2022 | June 2021 |
|--|------------------|------------------|
| Cash and cash equivalents | \$86 | \$154 |
| Accounts receivable, net | 295 | 303 |
| Inventories | 571 | 476 |
| Other current assets | 73 | 71 |
| Total current assets | 1,025 | 1,005 |
| Property, plant and equipment, net | 1,002 | 1,055 |
| Goodwill and other intangible assets, net | 370 | 398 |
| Other assets | 177 | 208 |
| Total assets | \$2,574 | \$2,666 |
| LIABILITIES (<i>\$ in millions</i>) | | |
| Revolving and other lines of credit | \$21 | \$8 |
| Accounts payable | 228 | 178 |
| Other current liabilities | 237 | 251 |
| Total current liabilities | 486 | 437 |
| Long-term debt | 594 | 592 |
| Other liabilities | 202 | 268 |
| Total liabilities | 1,282 | 1,298 |
| Kennametal Shareowners' Equity | 1,253 | 1,330 |
| Noncontrolling interests | 39 | 39 |
| Total liabilities and equity | \$2,574 | \$2,666 |

Non-GAAP Reconciliations

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

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

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

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

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

Organic Sales Growth (Decline)

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

Constant Currency Regional Sales Growth (Decline)

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

Non-GAAP Reconciliations (cont'd)

Constant Currency End Market Sales Growth (Decline)

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

EBITDA

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

Free Operating Cash Flow

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

Net Debt

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

Primary Working Capital

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

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

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

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

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

Non-GAAP Reconciliations (cont'd)

| (\$ in millions, except percents and per share data) | Sales | Gross Profit | Operating Expense | Operating Income | Net Income ⁽⁵⁾ | Diluted EPS | Effective Tax Rate |
|--|----------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| 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 % | | | |

⁽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 |
|--|----------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| Q4 FY21 Reported Results | \$ 516.0 | \$ 175.7 | \$ 108.0 | \$ 60.8 | \$ 35.1 | \$ 0.41 | 31.4 % |
| Reported Margins | | 34.1 % | 20.9 % | 11.8 % | | | |
| Restructuring and related charges | — | 2.5 | — | 5.5 | 4.3 | 0.05 | 22.1 |
| Partial annuitization of Canadian pension plans | — | — | — | — | 2.1 | 0.02 | 25.6 |
| Differences in projected annual tax rates | — | — | — | — | 3.7 | 0.05 | (54.8) |
| Q4 FY21 Adjusted Results | \$ 516.0 | \$ 178.2 | \$ 108.0 | \$ 66.3 | \$ 45.1 | \$ 0.53 | 24.3 % |
| Q4 FY21 Adjusted Margins | | 34.5 % | 20.9 % | 12.8 % | | | |

Non-GAAP Reconciliations (cont'd)

| (\$ in millions, except percents and per share data) | Sales | Gross Profit | Operating Expense | Operating Income | Net Income ⁽⁵⁾ | Diluted EPS | Effective Tax Rate |
|--|------------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| 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 |
| FY22 Adjusted Results | \$ 2,012.5 | \$ 654.8 | \$ 417.7 | \$ 224.1 | \$ 149.2 | \$ 1.78 | 27.2 % |
| FY22 Adjusted Margins | | 32.5 % | 20.8 % | 11.1 % | | | |

| (\$ in millions, except percents and per share data) | Sales | Gross Profit | Operating Expense | Operating Income | Net Income ⁽⁵⁾ | Diluted EPS | Effective Tax Rate |
|--|------------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| FY21 Reported Results | \$ 1,841.4 | \$ 552.5 | \$ 407.2 | \$ 102.2 | \$ 54.4 | \$ 0.65 | 9.7 % |
| Reported Margins | | 30.0 % | 22.1 % | 5.5 % | | | |
| Restructuring and related charges | — | 11.3 | — | 40.4 | 34.2 | 0.40 | (3.4) |
| Discrete tax benefit | — | — | — | — | (9.3) | (0.11) | 14.3 |
| Effects from early extinguishment of debt | — | — | — | — | 6.4 | 0.08 | 3.0 |
| Partial annuitization of Canadian pension plans | — | — | — | — | 2.1 | 0.02 | — |
| FY21 Adjusted Results | \$ 1,841.4 | \$ 563.8 | \$ 407.2 | \$ 142.6 | \$ 87.8 | \$ 1.04 | 23.6 % |
| FY21 Adjusted Margins | | 30.6 % | 22.1 % | 7.7 % | | | |

Non-GAAP Reconciliations (cont'd)

| (\$ in millions) | Three months ended June 30, | | Year ended June 30, | | |
|--|-----------------------------|----------------|---------------------|-----------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2016 |
| Net income attributable to Kennametal, reported | \$ 41.7 | \$ 35.1 | \$ 144.6 | \$ 54.4 | \$ (226.0) |
| Add back: | | | | | |
| Interest expense | 6.7 | 6.6 | 25.9 | 46.4 | 27.8 |
| Interest income | (0.2) | (0.2) | (1.0) | (0.9) | (1.7) |
| Provision for income taxes, reported | 16.5 | 16.5 | 56.5 | 6.2 | 25.3 |
| Depreciation | 30.7 | 28.8 | 118.7 | 112.4 | 96.7 |
| Amortization | 3.2 | 4.0 | 13.0 | 14.0 | 20.8 |
| EBITDA | \$ 98.6 | \$ 90.7 | \$ 357.8 | \$ 232.6 | \$ (57.1) |
| Margin | 18.6 % | 17.6 % | 17.8 % | 12.6 % | (2.7)% |
| Adjustments: | | | | | |
| Restructuring and related charges | 1.7 | 5.5 | 4.2 | 40.4 | 53.5 |
| Charges related to Russian and Ukrainian operations | 0.9 | — | 2.7 | — | — |
| Gain on New Castle divestiture | — | — | (1.0) | — | — |
| Partial annuitization of Canadian pension plans | — | 2.8 | — | 2.7 | — |
| Fixed asset disposal charges | — | — | — | — | 5.4 |
| Loss on divestiture and related charges | — | — | — | — | 131.5 |
| Goodwill and other intangible asset impairment charges | — | — | — | — | 108.5 |
| Adjusted EBITDA | \$ 101.1 | \$ 98.9 | \$ 363.7 | \$ 275.6 | \$ 241.7 |
| Adjusted Margin | 19.1 % | 19.2 % | 18.1 % | 15.0 % | 11.5 % |

Non-GAAP Reconciliations (cont'd)

| (\$ 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 % |

| (\$ in millions, except percents) | Metal Cutting Sales | Metal Cutting Operating Income | Infrastructure Sales | Infrastructure Operating Income |
|-----------------------------------|------------------------|--------------------------------------|-------------------------|---------------------------------------|
| Q4 FY21 Reported Results | \$ 311.8 | \$ 33.1 | \$ 204.2 | \$ 27.6 |
| Reported Operating Margin | | 10.6 % | | 13.5 % |
| Restructuring and related charges | — | 3.5 | — | 1.9 |
| Q4 FY21 Adjusted Results | \$ 311.8 | \$ 36.6 | \$ 204.2 | \$ 29.6 |
| Q4 FY21 Adjusted Operating Margin | | 11.7 % | | 14.5 % |

Non-GAAP Reconciliations (cont'd)

| (\$ 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 % |

| (\$ in millions, except percents) | Metal Cutting Sales | Metal Cutting Operating Income | Infrastructure Sales | Infrastructure Operating Income |
|-----------------------------------|------------------------|--------------------------------------|-------------------------|---------------------------------------|
| FY21 Reported Results | \$ 1,150.7 | \$ 45.9 | \$ 690.7 | \$ 59.5 |
| Reported Operating Margin | | 4.0 % | | 8.6 % |
| Restructuring and related charges | — | 35.6 | — | 4.8 |
| FY21 Adjusted Results | \$ 1,150.7 | \$ 81.4 | \$ 690.7 | \$ 64.3 |
| FY21 Adjusted Operating Margin | | 7.1 % | | 9.3 % |

Non-GAAP Reconciliations (cont'd)

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

| Three months ended June 30, 2021 | Metal Cutting | Infrastructure | Kennametal |
|---|----------------------|-----------------------|-------------------|
| Organic sales growth | 30 % | 28 % | 29 % |
| Foreign currency exchange effect | 6 | 5 | 6 |
| Business days effect | 1 | 1 | 1 |
| Sales growth | 37 % | 34 % | 36 % |

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

| Year ended June 30, 2021 | Metal Cutting | Infrastructure | Kennametal |
|----------------------------------|----------------------|-----------------------|-------------------|
| Organic sales (decline) growth | (4)% | (3)% | (4)% |
| Foreign currency exchange effect | 2 | 2 | 2 |
| Divestiture effect | — | (1) | — |
| Sales decline | (2)% | (2)% | (2)% |

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, 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, 2022 | General Engineering | Transportation | Aerospace | Energy |
|---|------------------------|----------------|-----------|--------|
| Constant currency end market sales growth | 6 % | 4 % | 21 % | 9 % |
| Foreign currency exchange effect | (5)% | (6)% | (6)% | (5)% |
| End market sales growth (decline) | 1 % | (2)% | 15 % | 4 % |

Infrastructure

| Three months ended June 30, 2022 | Energy | Earthworks | General Engineering |
|---|--------|------------|------------------------|
| Constant currency end market sales growth | 12 % | 10 % | 1 % |
| Foreign currency exchange effect | (2)% | (3)% | (3)% |
| End market sales growth (decline) | 10 % | 7 % | (2)% |

Kennametal

| Three months ended June 30, 2022 | Energy | Earthworks | General Engineering | Transportation | Aerospace |
|---|--------|------------|------------------------|----------------|-----------|
| Constant currency end market sales growth | 11 % | 10 % | 5 % | 4 % | 21 % |
| Foreign currency exchange effect | (3)% | (3)% | (5)% | (6)% | (6)% |
| End market sales growth (decline) | 8 % | 7 % | — % | (2)% | 15 % |

Non-GAAP Reconciliations (cont'd)

Metal Cutting

| Year ended June 30, 2022 | General Engineering | Transportation | Aerospace | Energy |
|---|----------------------------|-----------------------|------------------|---------------|
| Constant currency end market sales growth (decline) | 13 % | (1)% | 23 % | 6 % |
| Foreign currency exchange effect | (3)% | (2)% | (2)% | (1)% |
| End market sales growth (decline) | 10 % | (3)% | 21 % | 5 % |

Infrastructure

| Year ended June 30, 2022 | Energy | Earthworks | General Engineering |
|---|---------------|-------------------|----------------------------|
| Constant currency end market sales growth | 27 % | 9 % | 10 % |
| Foreign currency exchange effect | — % | 1 % | (1)% |
| End market sales growth | 27 % | 10 % | 9 % |

Kennametal

| Year ended June 30, 2022 | Energy | Earthworks | General Engineering | Transportation | Aerospace |
|---|---------------|-------------------|----------------------------|-----------------------|------------------|
| Constant currency end market sales growth (decline) | 20 % | 9 % | 12 % | (1)% | 23 % |
| Foreign currency exchange effect | (1)% | 1 % | (2)% | (2)% | (2)% |
| End market sales growth (decline) | 19 % | 10 % | 10 % | (3)% | 21 % |

Non-GAAP Reconciliations (cont'd)

| Net Debt (in millions) | Year ended | | | |
|---------------------------------|------------|-----------|------------|-----------|
| | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
| Total debt (gross) | \$ 615.6 | \$ 600.5 | \$ 1,094.5 | \$ 592.6 |
| Less: cash and cash equivalents | 85.6 | 154.0 | 606.7 | 182.0 |
| Net debt | \$ 530.0 | \$ 446.5 | \$ 487.8 | \$ 410.6 |

| (in millions) | Three months ended June 30, | | Year ended June 30, | |
|--|-----------------------------|---------|---------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net cash flow provided by operating activities | \$ 88.4 | \$ 95.6 | \$ 181.4 | \$ 235.7 |
| Purchases of property, plant and equipment | (36.8) | (33.2) | (96.9) | (127.3) |
| Proceeds from disposals of property, plant and equipment | 0.2 | 3.1 | 0.9 | 4.4 |
| Free operating cash flow | \$ 51.8 | \$ 65.4 | \$ 85.4 | \$ 112.8 |

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 |
| | Three Months Ended | | | | | |
| | | 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 |
| | Three Months Ended | | | | | |
| | 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 |
| | Three Months Ended | | | | | |
| | 6/30/2020 | 3/31/2020 | 12/31/2019 | 9/30/2019 | Total | |
| Sales | \$ 379,053 | \$ 483,084 | \$ 505,080 | \$ 518,088 | \$ 1,885,305 | |
| Primary working capital as a percentage of sales | | | | | | 35.4 % |

Non-GAAP Reconciliations (cont'd)

| (in thousands, except percents) | 6/30/2019 | 3/31/2019 | 12/31/2018 | 9/30/2018 | 6/30/2018 | Average |
|--|---------------------------|--------------|--------------|--------------|--------------|------------|
| Current assets | \$ 1,190,827 | \$ 1,162,842 | \$ 1,119,034 | \$ 1,121,482 | \$ 1,546,166 | |
| Current liabilities | 461,726 | 430,018 | 412,053 | 439,171 | 886,531 | |
| Working capital, GAAP | \$ 729,101 | \$ 732,824 | \$ 706,981 | \$ 682,311 | \$ 659,635 | |
| Excluding items: | | | | | | |
| Cash and cash equivalents | (182,015) | (112,597) | (96,276) | (102,084) | (556,153) | |
| Other current assets | (57,381) | (58,221) | (63,509) | (63,461) | (63,257) | |
| Total excluded current assets | (239,396) | (170,818) | (159,785) | (165,545) | (619,410) | |
| Adjusted current assets | 951,431 | 992,024 | 959,249 | 955,937 | 926,756 | |
| Current maturities of long-term debt and capital leases, including notes payable | (157) | — | (3,371) | (756) | (400,200) | |
| Other current liabilities | (248,661) | (224,949) | (210,332) | (217,528) | (264,428) | |
| Total excluded current liabilities | (248,818) | (224,949) | (213,703) | (218,284) | (664,628) | |
| Adjusted current liabilities | 212,908 | 205,069 | 198,350 | 220,887 | 221,903 | |
| Primary working capital | \$ 738,523 | \$ 786,955 | \$ 760,899 | \$ 735,050 | \$ 704,853 | \$ 745,256 |
| | Three Months Ended | | | | | |
| | 6/30/2019 | 3/31/2019 | 12/31/2018 | 9/30/2018 | Total | |
| Sales | \$ 603,949 | \$ 597,204 | \$ 587,394 | \$ 586,687 | \$ 2,375,234 | |
| Primary working capital as a percentage of sales | | | | | | 31.4 % |