



**Fiscal 2018 Third Quarter
Earnings Call Presentation
May 3, 2018**



Safe Harbor Statement

Certain statements in this presentation may be forward-looking in nature, or "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about Kennametal's outlook for earnings, sales volumes, cash flow, and capital expenditures, and 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: economic recession; our ability to achieve all anticipated benefits of restructuring initiatives; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; potential for future goodwill and other intangible asset impairment charges; our ability to protect and defend our intellectual property; continuity and security 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 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."

3rd Quarter FY18 Highlights and Overview

- **Sales Growth: 15% Sales (+11% organic)**

- All segments positive: Industrial +15%, Infrastructure +15%, WIDIA +13%
- All regions* positive: Americas +12%, AsiaPac +8%, EMEA +5%
- All end-markets** positive: Aerospace +17%, Energy +11%, General Engineering +10%
Earthworks +5%, Transportation +4%

- **Margins: 14.3% Adjusted Operating Margin (vs. 12.8% in 3Q prior year)**

- Adjusted Gross Profit Margin 36.2% (+70 bps vs. prior year)
- Adjusted Operating Expense 21.3% (-70 bps vs. prior year)
- Adjusted EBITDA margin 18.2% (+90 bps vs. prior year)

- **EPS: Reported \$0.61; Adjusted \$0.70 (vs. \$0.60 Adjusted 3Q prior year)**

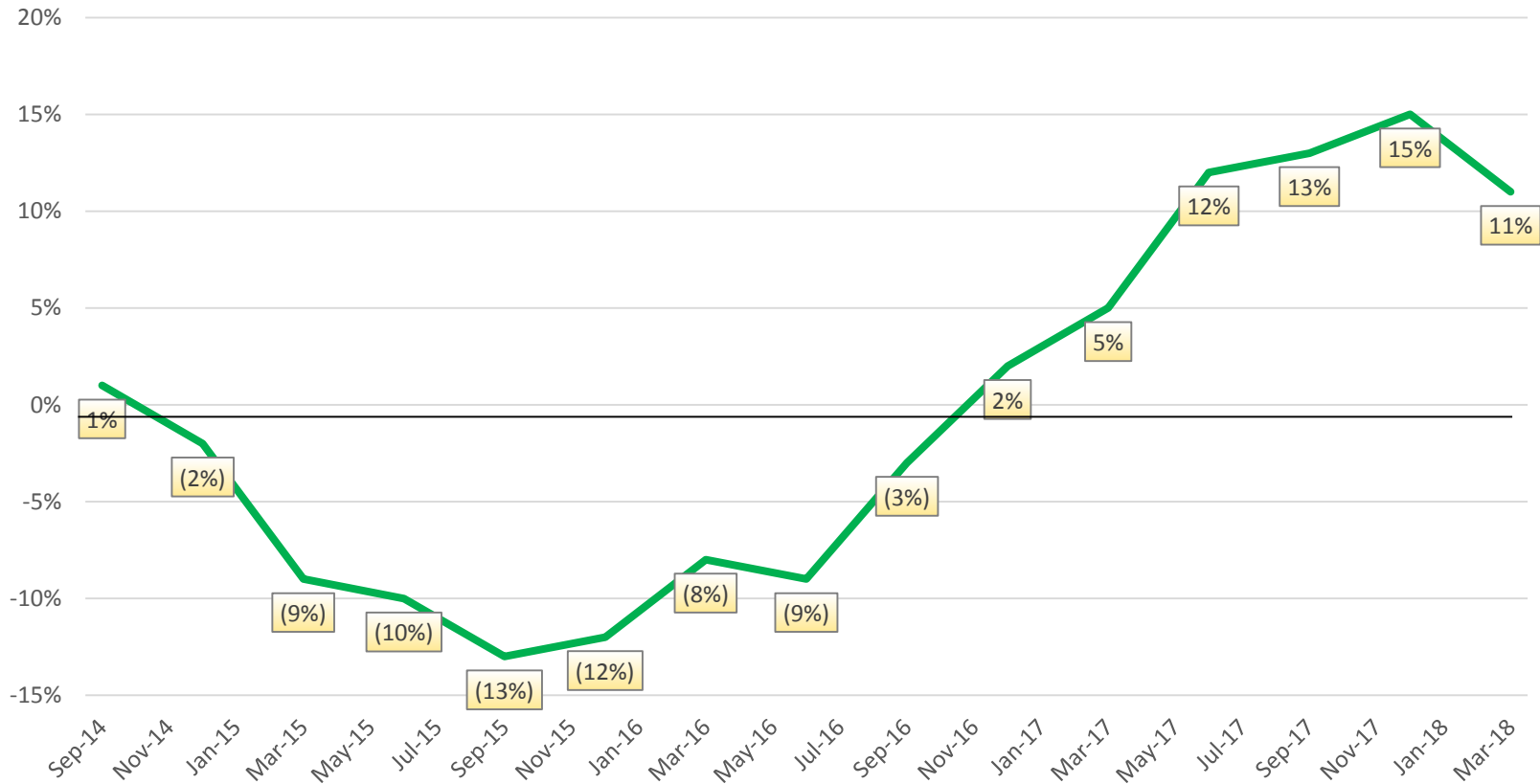
- Adjusted effective tax rate: 23.1% vs. 15.3% in 3Q prior year

* Constant Currency Regional Sales Growth

** Constant Currency End Market Sales Growth

Strong operational quarter and overall results

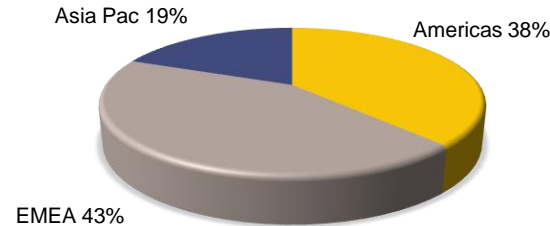
Quarterly Year-over-Year Organic Sales Growth



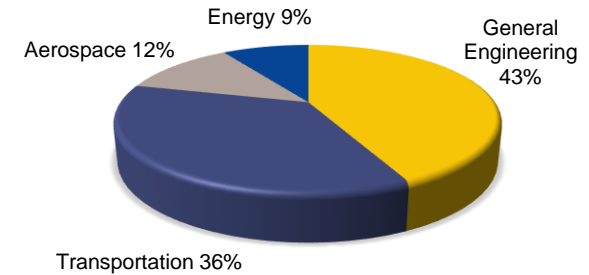
Continuing strong end-market demand, on higher prior year comparables

Industrial Business Segment

Q3 FY18 Sales by Geography



Q3 FY18 Sales by End Market



Q3 FY18 15% quarterly sales growth YoY; 10% organic growth

- Quarterly adjusted operating margin increased YoY to **16.2%** from **15.1%** prior year
- Seventh consecutive quarter of organic growth for the segment
- All end-markets positive; double-digit growth in the Americas

All end-markets showing good strength

- Gen Engineering & Transportation (our two largest end-markets) continue to show strong growth
- Aerospace accelerating year-over-year to 13%*

Continuing progress in all three areas of focus: growth, simplification and modernization

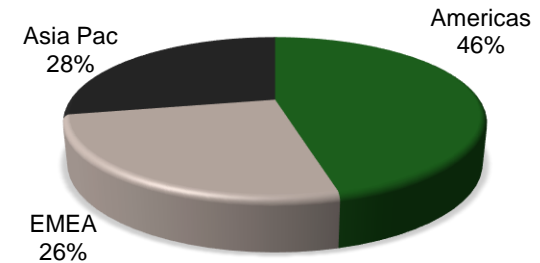
- Continued opportunities for simplification
- Modernization starting to drive improved results; still in early stages
- Manufacturing inefficiencies while modernizing & additional variable compensation dampened current quarter margin

* Constant Currency End Market Sales Growth

Delivering strong organic growth while continuing to execute on initiatives

WIDIA Business Segment

Q3 FY18 Sales by Geography



Q3 FY18 13% quarterly sales growth YoY; 9% organic growth

- Q3 FY18 adjusted operating margin at **3.2%** vs. **2.3%** in Q3 FY17
- Sixth consecutive quarter of organic growth

Q3 FY18 regional highlights

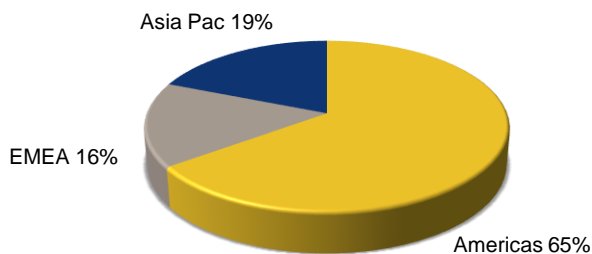
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|-----------|--|
| AsiaPac | <ul style="list-style-type: none">• 15% growth rate* reflects new demand stream opportunities gaining traction• Good progress establishing brand channel for entire WIDIA portfolio |
| India: | <ul style="list-style-type: none">• Quarterly sales growth rate of >30% achieved• Plant modernization still in early stages |
| EMEA | <ul style="list-style-type: none">• Quarterly sales growth of 14%* reflects strength in all regions, highest rates in Eastern Europe |
| Americas: | <ul style="list-style-type: none">• Making continuous progress in establishing strong and effective distribution partner network• Year over year growth effected by a non-repeating order in Q3 FY17• Significant growth achieved in Mexico, still in early stages |

* Constant Currency Regional Sales Growth

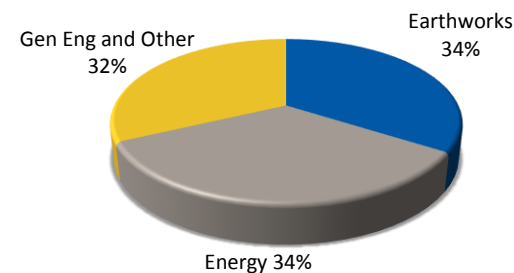
Growth and profitability increasing in every region of the world

Infrastructure Business Segment

Q3 FY18 Sales by Geography



Q3 FY18 Sales by End Market



Q3 FY18 15% quarterly sales growth; 14% organic growth YoY

- Adjusted operating margin increased to **14.6%** in Q3 FY18 vs. **12.3%** in Q3 FY17
- All end-markets positive; double-digit growth in the Americas and AsiaPac
- Fifth consecutive quarter of organic growth for the segment

End-markets continue to be strong

- Energy and General Engineering reporting double-digit growth this quarter
- Average US land rig counts up 30% YoY; stable above the 900 level; current level approximately 990
- Moderate growth in Earthworks supported by strong growth in Asia

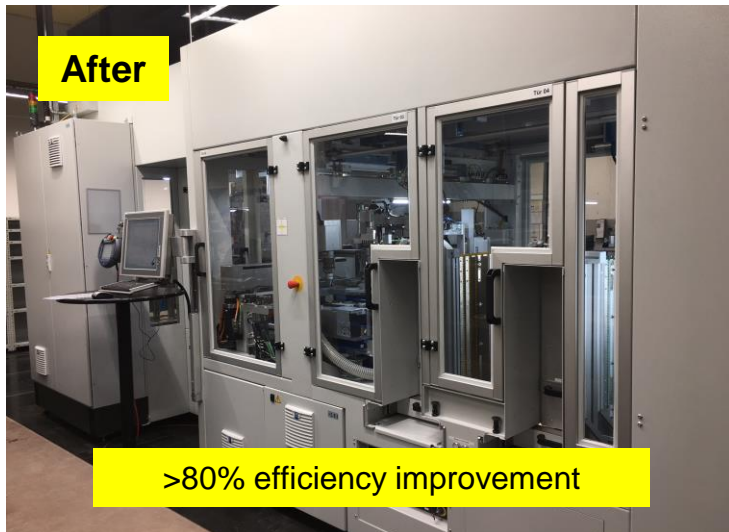
Significant progress in all three areas of focus: growth, simplification and modernization

- Sales growth and cost reduction initiatives from both simplification and modernization are driving strong YoY leverage
- Modernization plan is underway with one of our plants expected to be completed in early FY19

Execution on operational improvements continues to significantly expand margin

Examples of Modernization Projects

Industrial: Insert Inspection and Packaging



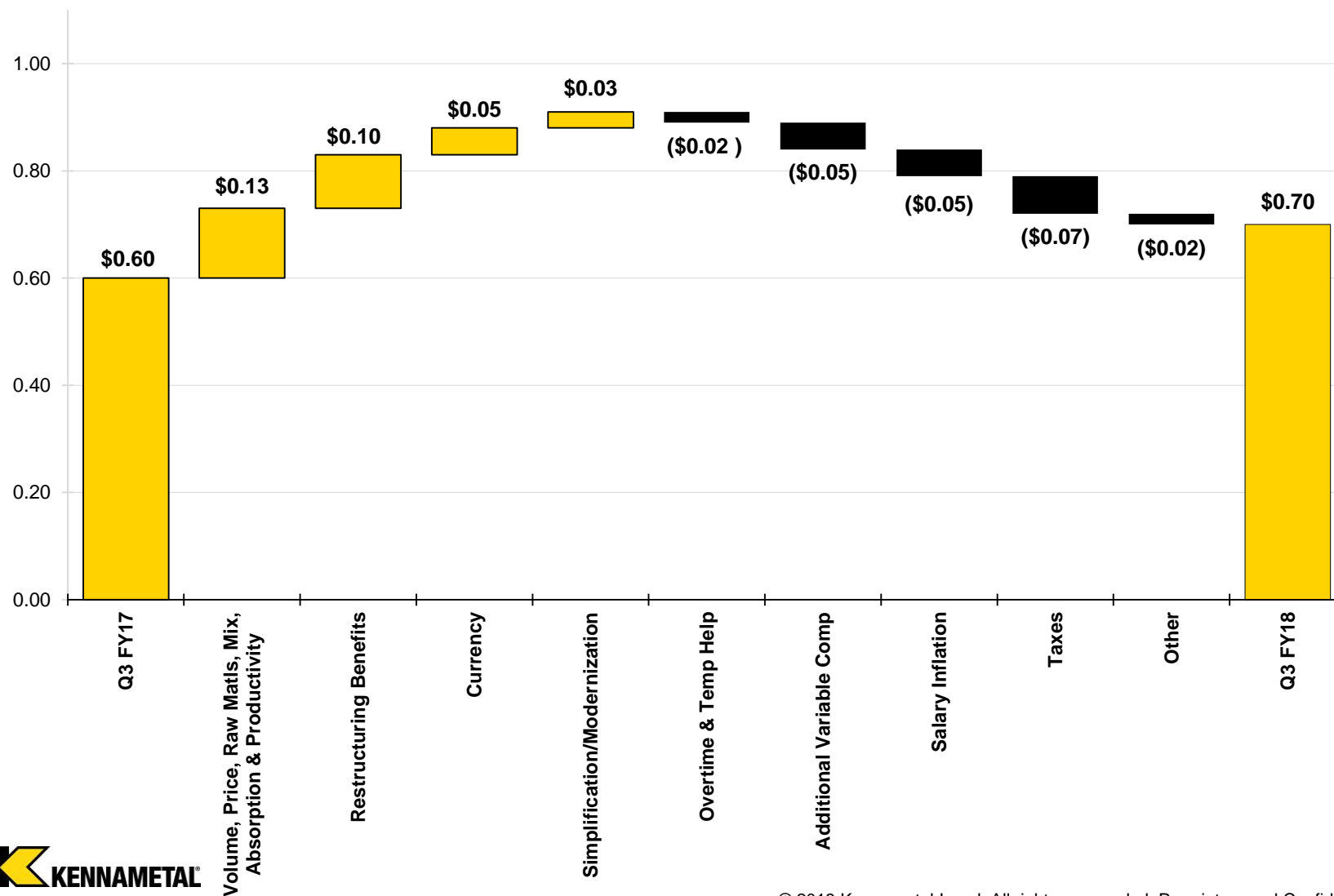
Infrastructure: Grinding Facilities Upgrade



Consolidated Q3 FY18 Financial Results

	Adjusted			Reported	
Quarter Ended (\$ in millions)	Change from PY	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sales	+15%	\$608	\$529	\$608	\$529
Organic		11%	5%	11%	5%
FX		6%	-1%	6%	-1%
Business Days		-2%	2%	-2%	2%
Gross Profit	+17%	\$220	\$188	\$219	\$186
as a % of sales	+70 bps	36.2%	35.5%	36.1%	35.2%
Operating Expense	+11%	\$129	\$116	\$129	\$117
as a % of sales	-70 bps	21.3%	22.0%	21.2%	22.1%
Operating Income	+29%	\$87	\$68	\$85	\$58
as a % of sales	+150 bps	14.3%	12.8%	14.0%	11.0%
Effective Tax Rate	+780 bps	23.1%	15.3%	31.2%	19.0%
Earnings per Diluted Share	+17%	\$0.70	\$0.60	\$0.61	\$0.48
EBITDA	+21%	\$111	\$91	\$109	\$82
as a % of sales	+90 bps	18.2%	17.3%	17.9%	15.5%

Adjusted EPS Q3 YoY Bridge

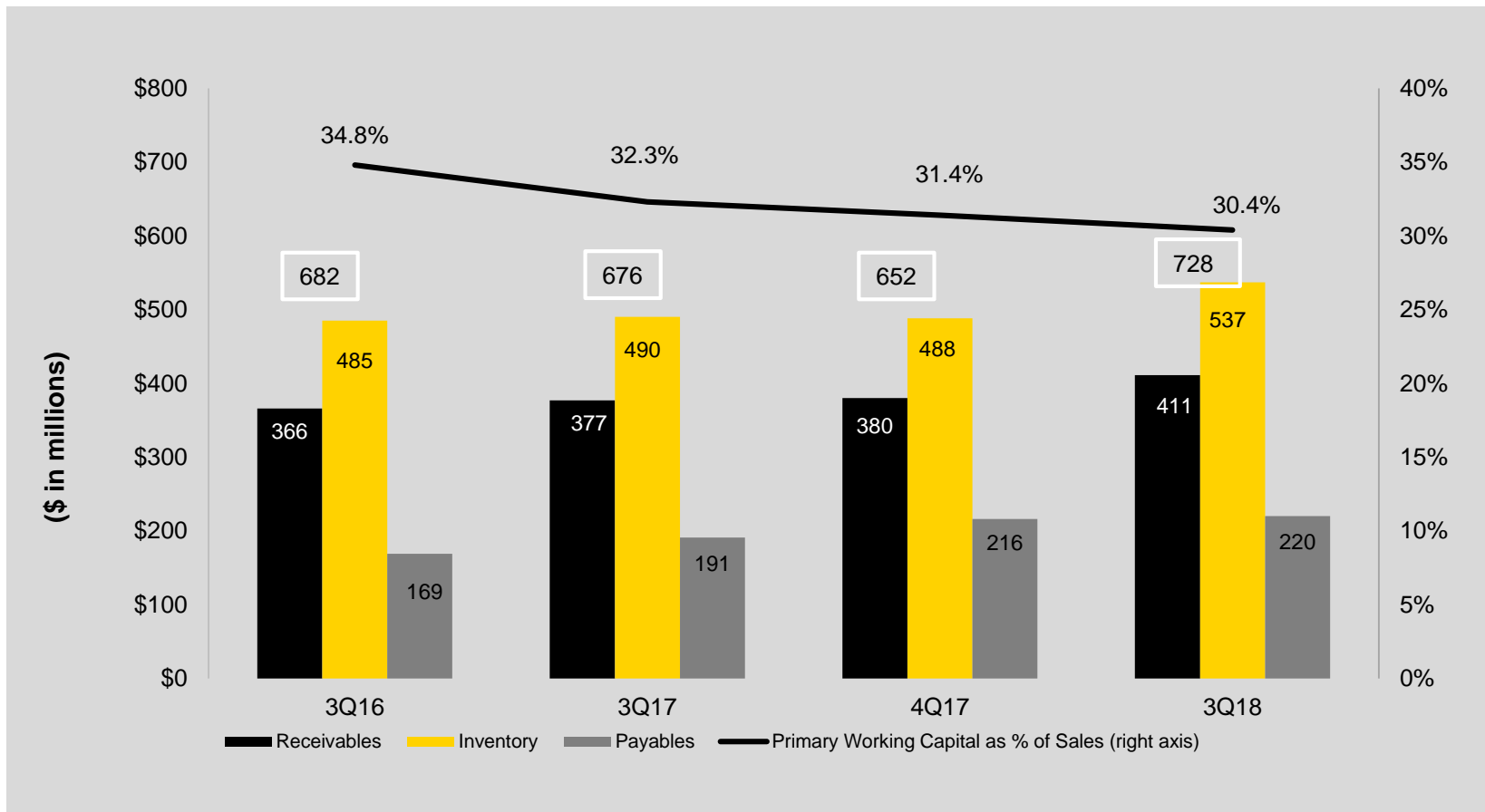


Adjusted Segment Results

Quarter ended (\$ in millions)	March 31, 2018		
	Industrial	WIDIA	Infrastructure
Sales	\$333	\$52	\$223
Organic	10%	9%	14%
FX	8%	5%	3%
Business Days	-3%	-1%	-2%
Constant Currency Regional Sales Growth:			
Americas	12%	1%	14%
EMEA	7%	14%	-5%
AsiaPac	0%	15%	19%
Constant Currency End Market Sales Growth:			
Energy	4%	N/A	14%
General Engineering	7%	8%*	16%
Transportation	4%	N/A	N/A
Aerospace & Defense	13%	N/A	N/A
Earthworks	N/A	N/A	4%
Adjusted Operating Income	\$54	\$2	\$32
Adjusted Operating Margin	16.2%	3.2%	14.6%

* all WIDIA sales are classified as general engineering

Primary Working Capital



Note: Total Primary Working Capital in white boxes

Success keeping working capital within target ranges, even with increasing sales

3Q FY18 Cash Flow

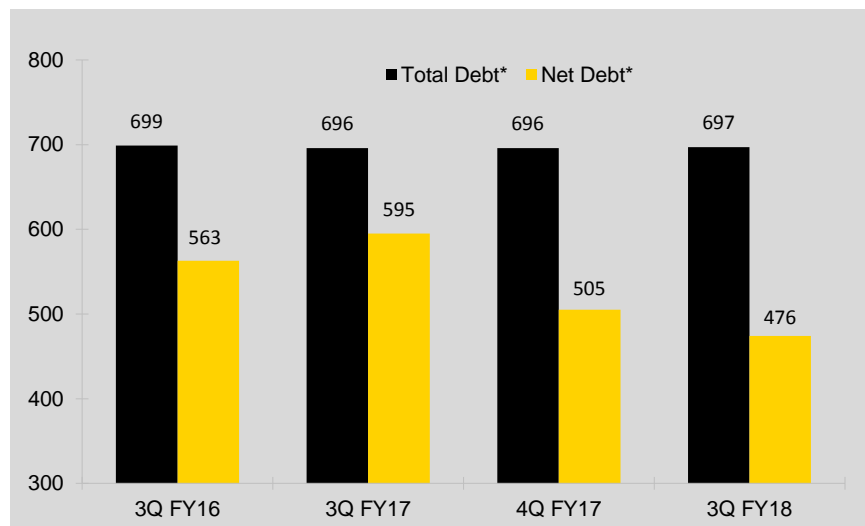
(\$ in millions)

	Year-to-date		Quarter	
Consolidated Results	3Q FY18	3Q FY17*	3Q FY18	3Q FY17*
Net Cash Provided by Operating Activities	181	\$83	\$114	\$34
Investing Activities	(\$126)	(\$90)	(\$42)	(\$23)
Financing Activities	(\$31)	(\$51)	(\$14)	(\$14)
Effect of Exchange Rate	\$7	(\$3)	\$4	\$2
Net Change in Cash	\$31	(\$61)	\$62	(\$1)
Beginning Cash	\$191	\$162	\$160	\$102
Ending Cash	\$222	\$101	\$222	\$101
Net Capital Expenditures	\$127	\$90	\$42	\$23
Free Operating Cash Flow	\$54	(\$7)	\$72	\$11

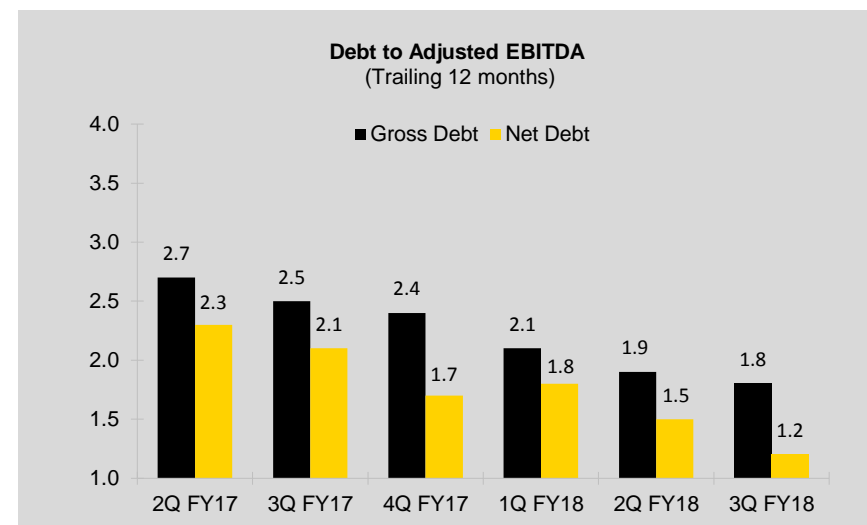
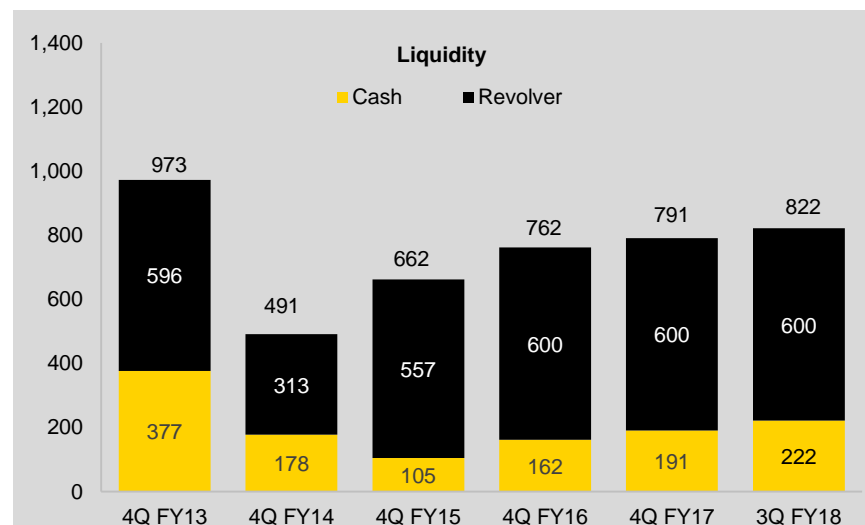
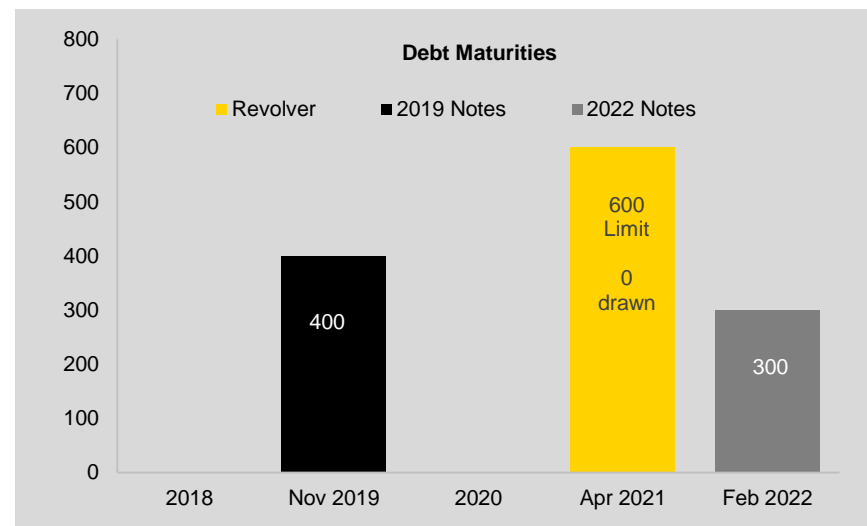
*Restated to reflect adoption of FASB ASU 2016-09

Strong Balance Sheet and Liquidity

(\$ in millions)



*Restated to reflect adoption of FASB ASU 2015-03



FY18 Outlook

(\$ in millions, except per share data and percentages)

	<u>FY17 Actual</u>	<u>Prior FY18 Outlook</u>	<u>FY18 Outlook</u>
Organic Sales Growth	4%	9% - 11%	top end of range
Effective Tax Rate (excluding special charges)	20%	22% - 25%	23% - 25%
Adjusted EPS	\$1.52	\$2.40 - \$2.70	\$2.55 - \$2.65
Net Capital Expenditures	\$113	\$210 - \$230	bottom end of range
Free Operating Cash Flow	\$82*	\$0 - \$30	\$60 - \$75

*Restated to reflect adoption of FASB ASU 2016-09

Strong operational results; Raising FOCF range and midpoint of adjusted EPS

Summary of Key Points

- **Q3 FY18 was another strong operational quarter**
- **We are increasing the midpoint for FY18 adjusted EPS outlook**
 - Outlook for adjusted EPS updated to \$2.55 - \$2.65
 - Outlook for free operating cash flow increased to \$60 – 75 million
- **Progress on all three initiatives continues**
 - **Growth: Increased sales through improved commercial execution**
 - Channel strategy, CRM for sales planning and customer classification initiatives are well-established
 - Other growth initiatives starting to take shape
 - **Simplification: Reducing complexity to increase efficiency, thereby lowering costs**
 - SKUs, powder formulations, grades and coatings initiatives well underway and continuing
 - Minimum and economic order quantities also well established
 - **Cost Reduction: Modernization and process improvement**
 - Modernization multi-year program still in early stages
 - Benefits from this program still to come
- **Through the disciplined and focused execution of our initiatives, we are building the foundation for sustained improvements in performance**

Appendix

Balance Sheet

ASSETS (\$ in millions)	March 2018	June 2017
Cash and cash equivalents	\$222	\$191
Accounts receivable, net	411	380
Inventories	537	488
Other current assets	71	55
Total current assets	\$1,241	\$1,114
Property, plant and equipment, net	805	744
Goodwill and other intangible assets, net	491	492
Other assets	81	65
Total assets	\$2,618	\$2,415
LIABILITIES (\$ in millions)		
Current maturities of long-term debt and capital leases, including notes payable	\$1	\$1
Accounts payable	220	216
Other current liabilities	257	245
Total current liabilities	\$478	\$462
Long-term debt and capital leases	696	695
Other liabilities	218	206
Total liabilities	\$1,392	\$1,363
Kennametal Shareowners' Equity	1,187	1,017
Noncontrolling interests	39	35
Total liabilities and equity	\$2,618	\$2,415

Non-GAAP Reconciliations

(\$ in millions, except per share data and percents)	Sales	Gross Profit	Operating Expense	Operating Income	Effective Tax Rate	Net Income ⁽¹⁾	Diluted EPS
Q3 FY18 Reported Results	\$ 607.9	\$ 219.5	\$ 129.2	\$ 85.4	31.2%	\$ 50.9	\$ 0.61
Reported Margins		36.1%	21.2%	14.0%			
Restructuring and related charges	-	0.7	0.3	1.7	0.2	1.2	0.01
Tax reform charge ⁽²⁾	-	-	-	-	(8.3)	6.4	0.08
Q3 FY18 Adjusted Results	\$ 607.9	\$ 220.2	\$ 129.4	\$ 87.0	23.1%	\$ 58.5	\$ 0.70
Q3 FY18 Adjusted Margins		36.2%	21.3%	14.3%			

⁽¹⁾ Represents amounts attributable to Kennametal Shareholders.

⁽²⁾ Additional charge recorded to reflect adjustments to the provisional amounts recorded in the December quarter of fiscal 2018 for the application of a measure of the Tax Cuts and Jobs Act of 2017 requiring a one-time transition tax on previously untaxed accumulated earnings and profits of non-U.S. companies. The toll tax charge is based on a reasonable estimate and is subject to finalization of collecting all information and analyzing the calculation in reasonable detail to complete the accounting.

(\$ in millions, except per share data and percents)	Sales	Gross Profit	Operating Expense	Operating Income	Effective Tax Rate	Net Income ⁽¹⁾	Diluted EPS
Q3 FY17 Reported Results	\$ 528.6	\$ 186.3	\$ 116.9	\$ 57.9	19.0%	\$ 38.9	\$ 0.48
Reported Margins		35.2%	22.1%	11.0%			
Restructuring and related charges	-	1.6	(0.8)	9.6	(3.7)	10.0	0.12
Q3 FY17 Adjusted Results	\$ 528.6	\$ 187.9	\$ 116.1	\$ 67.5	15.3%	\$ 48.9	\$ 0.60
Q3 FY17 Adjusted Margins		35.5%	22.0%	12.8%			

⁽¹⁾ Represents amounts attributable to Kennametal Shareholders.

Non-GAAP Reconciliations

(\$ in millions, except percents)	Industrial Sales	Industrial Operating Income	WIDIA Sales	WIDIA Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q3 FY18 Reported Results	\$ 333.0	\$ 53.0	\$ 52.2	\$ 1.6	\$ 222.7	\$ 31.8
Reported Operating Margin		15.9%		3.1%		14.3%
Restructuring and related charges	-	1.0	-	0.0	-	0.6
Q3 FY18 Adjusted Results	\$ 333.0	\$ 54.1	\$ 52.2	\$ 1.7	\$ 222.7	\$ 32.4
Q3 FY18 Adjusted Operating Margin		16.2%		3.2%		14.6%

(\$ in millions, except percents)	Industrial Sales	Industrial Operating Income	WIDIA Sales	WIDIA Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q3 FY17 Reported Results	\$ 289.5	\$ 38.5	\$ 46.3	\$ 0.6	\$ 192.9	\$ 19.8
Reported Operating Margin		13.3%		1.3%		10.3%
Restructuring and related charges	-	5.1	-	0.5	-	4.0
Q3 FY17 Adjusted Results	\$ 289.5	\$ 43.7	\$ 46.3	\$ 1.1	\$ 192.9	\$ 23.7
Q3 FY17 Adjusted Operating Margin		15.1%		2.3%		12.3%

Non-GAAP Reconciliations

(\$ in millions, except per share data and percents)	Sales	Gross Profit	Operating Expense	Operating Income	Effective Tax Rate	Net Income ⁽¹⁾	Diluted EPS
FY17 Reported Results	\$ 2,058.4	\$ 657.7	\$ 463.2	\$ 112.9	36.5%	\$ 49.1	\$ 0.61
Reported Margins		32.0%	22.5%	5.5%			
Restructuring and related charges	-	7.7	(3.5)	76.2	(14.5)	72.7	0.89
Australia deferred tax valuation allowance	-	-	-	-	(1.6)	1.3	0.02
FY17 Adjusted Results	\$ 2,058.4	\$ 665.4	\$ 459.7	\$ 189.2	20.4%	\$ 123.1	\$ 1.52
FY17 Adjusted Margins		32.3%	22.3%	9.2%			

⁽¹⁾ Represents amounts attributable to Kennametal Shareholders.

Twelve months ended June 30, 2017

	Kennametal
Organic Sales Growth	4%
Foreign Currency Exchange Impact	-2%
Business Days Impact	0%
Divestiture Impact	-4%
Acquisition Impact	0%
Sales Growth	-2%

Non-GAAP Reconciliations

Three months ended March 31, 2018:	Industrial	Widia	Infrastructure	Kennametal
Organic Sales Growth	10%	9%	14%	11%
Foreign Currency Exchange Impact	8%	5%	3%	6%
Business Days Impact	-3%	-1%	-2%	-2%
Divestiture Impact	0%	0%	0%	0%
Acquisition Impact	0%	0%	0%	0%
Sales Growth	15%	13%	15%	15%

Kennametal Inc.						
Three months ended:	Organic Sales Growth (Decline)	Foreign Currency Exchange Impact	Business Days Impact	Divestiture Impact	Acquisition Impact	Sales Growth (Decline)
December 31, 2017	15%	3%	-1%	0%	0%	17%
September 30, 2017	13%	2%	-1%	0%	0%	14%
June 30, 2017	12%	-2%	-2%	0%	0%	8%
March 31, 2017	5%	-1%	2%	0%	0%	6%
December 31, 2016	2%	-1%	-2%	-6%	0%	-7%
September 30, 2016	-3%	-2%	0%	-9%	0%	-14%
June 30, 2016	-9%	-1%	1%	-9%	0%	-18%
March 31, 2016	-8%	-4%	0%	-10%	0%	-22%
December 31, 2015	-12%	-6%	0%	-4%	0%	-22%
September 30, 2015	-13%	-7%	0%	0%	0%	-20%
June 30, 2015	-10%	-7%	1%	-1%	0%	-17%
March 31, 2015	-9%	-6%	0%	0%	0%	-15%
December 31, 2014	-2%	-4%	1%	3%	0%	-2%

Non-GAAP Reconciliations

Industrial

	General		Aerospace and	
Three months ended March 31, 2018:	Engineering	Transportation	Defense	Energy
Constant currency end market sales growth	7%	4%	13%	4%
Foreign currency exchange impact	8%	9%	6%	6%
Divestiture impact	0%	0%	0%	0%
Acquisition impact	0%	0%	0%	0%
End market sales growth	15%	13%	19%	10%

Widia

	General
Three months ended March 31, 2018:	Engineering
Constant currency end market sales growth	8%
Foreign currency exchange impact	5%
Divestiture impact	0%
Acquisition impact	0%
End market sales growth	13%

Infrastructure

			General
Three months ended March 31, 2018:	Energy	Earthworks	Engineering
Constant currency end market sales growth	14%	4%	16%
Foreign currency exchange impact	2%	5%	5%
Divestiture impact	0%	0%	0%
Acquisition impact	0%	0%	0%
End market sales growth	16%	9%	21%

Non-GAAP Reconciliations

Kennametal

Three months ended March 31, 2018:	Energy	Earthworks	General Engineering	Transportation	Aerospace and Defense
Constant currency end market sales growth	11%	5%	10%	4%	17%
Foreign currency exchange impact	3%	5%	6%	9%	6%
Divestiture impact	0%	0%	0%	0%	0%
Acquisition impact	0%	0%	0%	0%	0%
End market sales growth	14%	10%	16%	13%	23%

Kennametal

Three months ended March 31, 2018:	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	12%	5%	8%
Foreign currency exchange impact	1%	14%	7%
Divestiture impact	0%	0%	0%
Acquisition impact	0%	0%	0%
Regional sales growth	13%	19%	15%

Non-GAAP Reconciliations

Industrial

Three months ended March 31, 2018:	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	12%	7%	0%
Foreign currency exchange impact	0%	15%	7%
Divestiture impact	0%	0%	0%
Acquisition impact	0%	0%	0%
Regional sales growth	12%	22%	7%

Widia

Three months ended March 31, 2018:	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	1%	14%	15%
Foreign currency exchange impact	1%	11%	7%
Divestiture impact	0%	0%	0%
Acquisition impact	0%	0%	0%
Regional sales growth	2%	25%	22%

Infrastructure

Three months ended March 31, 2018:	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	14%	-5%	19%
Foreign currency exchange impact	1%	13%	7%
Divestiture impact	0%	0%	0%
Acquisition impact	0%	0%	0%
Regional sales growth	15%	8%	26%

Non-GAAP Reconciliations

(\$ in millions)	Three months ended March 31,	
	2018	2017
Net income attributable to Kennametal, reported	\$ 50.9	\$ 38.9
Add back:		
Interest expense	7.5	7.3
Interest income	(1.0)	(0.3)
Provision for income taxes, reported	24.1	9.3
Depreciation	23.9	22.4
Amortization	3.7	4.2
EBITDA	\$ 109.1	\$ 81.8
Margin	17.9%	15.5%
Adjustments:		
Restructuring and related charges	1.7	9.6
Adjusted EBITDA	\$ 110.7	\$ 91.5
Adjusted Margin	18.2%	17.3%

Non-GAAP Reconciliations

(in thousands, except percents)	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	Average
Current assets	\$ 1,240,587	\$ 1,128,382	\$ 1,075,915	\$ 1,113,901	\$ 1,043,046	
Current liabilities	477,790	407,621	396,967	461,478	426,799	
Working capital, GAAP	\$ 762,797	\$ 720,761	\$ 678,948	\$ 652,423	\$ 616,247	
Excluding items:						
Cash and cash equivalents	(221,906)	(159,940)	(110,697)	(190,629)	(100,817)	
Other current assets	(70,926)	(68,057)	(64,874)	(55,166)	(75,061)	
Total excluded current assets	(292,832)	(227,997)	(175,571)	(245,795)	(175,878)	
Adjusted current assets	947,755	900,385	900,344	868,106	867,168	
Current maturities of long-term debt and capital leases, including notes payable	(1,399)	(1,360)	(1,252)	(925)	(1,591)	
Other current liabilities	(256,186)	(215,669)	(209,373)	(244,831)	(234,367)	
Total excluded current liabilities	(257,585)	(217,029)	(210,625)	(245,756)	(235,958)	
Adjusted current liabilities	220,205	190,592	186,342	215,722	190,841	
Primary working capital	\$ 727,550	\$ 709,793	\$ 714,002	\$ 652,384	\$ 676,327	\$ 696,011
Three Months Ended						
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	Total	
Sales	\$ 607,936	\$ 571,345	\$ 542,454	\$ 565,025	\$ 2,286,760	
Primary working capital as a percentage of sales						30.4%

Non-GAAP Reconciliations

(in thousands, except percents)	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	Average
Current assets	\$ 1,113,901	\$ 1,043,046	\$ 971,745	\$ 991,837	\$ 1,075,341	
Current liabilities	461,478	426,799	390,151	402,574	427,275	
Working capital, GAAP	\$ 652,423	\$ 616,247	\$ 581,594	\$ 589,263	\$ 648,066	
Excluding items:						
Cash and cash equivalents	(190,629)	(100,817)	(102,001)	(119,411)	(161,579)	
Other current assets	(55,166)	(75,061)	(80,375)	(64,660)	(84,016)	
Total excluded current assets	(245,795)	(175,878)	(182,376)	(184,071)	(245,595)	
Adjusted current assets	868,106	867,168	789,369	807,766	829,746	
Current maturities of long-term debt and capital leases, including notes payable	(925)	(1,591)	(2,263)	(1,381)	(1,895)	
Other current liabilities	(244,831)	(234,367)	(219,008)	(225,189)	(243,341)	
Total excluded current liabilities	(245,756)	(235,958)	(221,271)	(226,570)	(245,236)	
Adjusted current liabilities	215,722	190,841	168,880	176,004	182,039	
Primary working capital	\$ 652,384	\$ 676,327	\$ 620,489	\$ 631,762	\$ 647,707	\$ 645,734
Three Months Ended						
	6/30/2017	3/31/2017	12/31/2016	9/30/2016	Total	
Sales	\$ 565,025	\$ 528,630	\$ 487,573	\$ 477,140	\$ 2,058,368	
Primary working capital as a percentage of sales						31.4%

Non-GAAP Reconciliations

(in thousands, except percents)	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016	Average
Current assets	\$ 1,043,046	\$ 971,745	\$ 991,837	\$ 1,075,341	\$ 1,099,260	
Current liabilities	426,799	390,151	402,574	427,275	421,415	
Working capital, GAAP	\$ 616,247	\$ 581,594	\$ 589,263	\$ 648,066	\$ 677,845	
Excluding items:						
Cash and cash equivalents	(100,817)	(102,001)	(119,411)	(161,579)	(136,564)	
Other current assets	(75,061)	(80,375)	(64,660)	(84,016)	(111,479)	
Total excluded current assets	(175,878)	(182,376)	(184,071)	(245,595)	(248,043)	
Adjusted current assets	867,168	789,369	807,766	829,746	851,217	
Current maturities of long-term debt and capital leases, including notes payable	(1,591)	(2,263)	(1,381)	(1,895)	(4,140)	
Other current liabilities	(234,367)	(219,008)	(225,189)	(243,341)	(247,943)	
Total excluded current liabilities	(235,958)	(221,271)	(226,570)	(245,236)	(252,083)	
Adjusted current liabilities	190,841	168,880	176,004	182,039	169,332	
Primary working capital	\$ 676,327	\$ 620,489	\$ 631,762	\$ 647,707	\$ 681,885	\$ 651,634
Three Months Ended						
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	Total	
Sales	\$ 528,630	\$ 487,573	\$ 477,140	\$ 521,224	\$ 2,014,567	
Primary working capital as a percentage of sales						32.3%

Non-GAAP Reconciliations

(in thousands, except percents)	3/31/2016	12/31/2015	9/30/2015	6/30/2015	3/31/2015	Average
Current assets	\$ 1,099,260	\$ 1,062,992	\$ 1,168,511	\$ 1,258,546	\$ 1,341,312	
Current liabilities	421,415	394,983	438,406	482,744	524,518	
Working capital, GAAP	\$ 677,845	\$ 668,009	\$ 730,105	\$ 775,802	\$ 816,794	
Excluding items:						
Cash and cash equivalents	(136,564)	(138,978)	(97,199)	(105,494)	(146,175)	
Other current assets	(111,479)	(113,113)	(120,583)	(132,148)	(111,124)	
Total excluded current assets	(248,043)	(252,091)	(217,782)	(237,642)	(257,299)	
Adjusted current assets	851,217	810,901	950,729	1,020,904	1,084,013	
Current maturities of long-term debt and capital leases, including notes payable	(4,140)	(5,942)	(25,285)	(15,702)	(99,620)	
Other current liabilities	(247,943)	(237,444)	(235,385)	(279,661)	(250,586)	
Total excluded current liabilities	(252,083)	(243,386)	(260,670)	(295,363)	(350,206)	
Adjusted current liabilities	169,332	151,597	177,736	187,381	174,312	
Primary working capital	\$ 681,885	\$ 659,304	\$ 772,993	\$ 833,523	\$ 909,701	\$ 771,481
Three Months Ended						
	3/31/2016	12/31/2015	9/30/2015	6/30/2015	Total	
Sales	\$ 497,837	\$ 524,021	\$ 555,354	\$ 637,653	\$ 2,214,865	
Primary working capital as a percentage of sales						34.8%

Non-GAAP Reconciliations

(\$ in millions)	Nine months ended March 31,	
	2018	2017
Net cash flow from operating activities ⁽³⁾	\$ 180.6	\$ 82.8
Purchases of property, plant and equipment	(128.3)	(94.1)
Proceeds from disposals of property, plant and equipment	2.2	3.9
Free operating cash flow	\$ 54.5	\$ (7.4)

⁽³⁾ Amounts for fiscal 2017 have been restated to reflect adoption of FASB ASU 2016-09.

(\$ in millions)	Three months ended March 31,	
	2018	2017
Net cash flow from operating activities ⁽³⁾	\$ 113.8	\$ 34.1
Purchases of property, plant and equipment	(43.1)	(23.5)
Proceeds from disposals of property, plant and equipment	1.4	0.3
Free operating cash flow	\$ 72.1	\$ 10.9

⁽³⁾ Amounts for fiscal 2017 have been restated to reflect adoption of FASB ASU 2016-09.

(\$ in millions)	Twelve months ended	
	June 30, 2017	
Net cash flow from operating activities ⁽³⁾	\$ 195.3	
Purchases of property, plant and equipment	(118.0)	
Proceeds from disposals of property, plant and equipment	5.0	
Free operating cash flow	\$ 82.3	

⁽³⁾ Amounts for fiscal 2017 have been restated to reflect adoption of FASB ASU 2016-09.

Non-GAAP Reconciliations

Debt to Adjusted EBITDA

(in millions, except debt to adjusted EBITDA)

(in millions, except debt to adjusted EBITDA)									
	Three months ended								
EBITDA	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Net income (loss) attributable to Kennametal	\$ 50.9	\$ 41.6	\$ 39.2	\$ 24.6	\$ 38.9	\$ 7.3	\$ (21.7)	\$ (66.5)	\$ 16.0
Add back:									
Interest expense	7.5	7.2	7.1	7.4	7.3	7.2	7.0	6.9	7.1
Interest income	(1.0)	(0.3)	(0.3)	(0.2)	(0.3)	(0.2)	(0.2)	(0.6)	(0.3)
Provision (benefit) for income taxes	24.1	17.5	9.6	7.5	9.3	8.2	4.9	86.8	5.5
Depreciation	23.9	23.3	22.8	22.7	22.4	22.8	23.2	23.4	22.9
Amortization	3.7	3.7	3.7	3.9	4.2	4.2	4.3	4.4	4.4
EBITDA	\$ 109.1	\$ 93.0	\$ 82.1	\$ 65.9	\$ 81.8	\$ 49.4	\$ 17.4	\$ 54.4	\$ 55.6
Adjustments:									
Restructuring and related charges	1.7	1.5	6.9	23.2	9.6	11.8	31.7	15.5	14.0
Fixed asset disposal charges	-	-	-	-	-	-	-	5.4	-
Loss on divestiture and related charges	-	-	-	-	-	-	-	0.7	(2.6)
Adjusted EBITDA	\$ 110.7	\$ 94.5	\$ 89.0	\$ 89.0	\$ 91.5	\$ 61.2	\$ 49.1	\$ 76.1	\$ 67.0
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	3/31/2016		
Total debt (gross)	\$ 697.5	\$ 697.1	\$ 696.6	\$ 695.9	\$ 696.2	\$ 696.6			
Trailing four quarters adjusted EBITDA	383.3	364.0	330.7	290.8	277.8	253.3			
Debt to adjusted EBITDA	1.8	1.9	2.1	2.4	2.5	2.7			
Total debt (gross)	\$ 697.5	\$ 697.1	\$ 696.6	\$ 695.9	\$ 696.2	\$ 696.6	\$ 699.1		
Less: cash and cash equivalents	221.9	159.9	110.7	190.6	100.8	102.0	136.6		
Net debt	\$ 475.6	\$ 537.1	\$ 585.9	\$ 505.3	\$ 595.4	\$ 594.6	\$ 562.5		
Trailing four quarters adjusted EBITDA	383.3	364.0	330.7	290.8	277.8	253.3			
Net debt to adjusted EBITDA	1.2	1.5	1.8	1.7	2.1	2.3			