

FY22 Third Quarter Earnings Call Presentation

May 3, 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.”

Results highlight continuing strong execution and operating leverage

Q3 FY22 Overview & Highlights

- **Improving end-markets & results from growth initiatives driving strong sales: 8% organic growth vs. (1)% prior year**
 - Segment YoY organic growth rates: Infrastructure 12%, Metal Cutting 5%
 - Regional YoY growth rates*: Americas 15%, EMEA 9%, AsiaPac (4)%
 - YoY growth in all end-markets, except Transportation
 - All end-markets up sequentially with notable strength in Transportation, Energy & Aerospace
 - Challenges related to Ukraine conflict and COVID-19 lockdowns in China

- **Execution on initiatives driving strong operating leverage & improving margins: 18.3% adjusted EBITDA margin vs. 15.3% prior year**
 - Adjusted operating margin improved 280 bps to 11.4% from 8.6% prior year, driven mainly by:
 - favorable net effect from price versus ~\$13M raw material headwind
 - higher volumes and associated absorption
 - partially offset by higher manufacturing costs resulting from COVID-19 absenteeism and higher depreciation
 - Free operating cashflow of \$13M; increasing working capital requirements related to inflation and supply chain challenges
 - Share repurchases of \$15M

- **Earnings per diluted share: Reported \$0.42; Adjusted \$0.47 (vs. \$0.32 prior year)**

* Constant Currency Regional Sales Growth

Innovation and Commercial Excellence initiatives driving share gain

Recent Customer Wins

Electric Vehicles



- ✓ Secured a major win at another Chinese EV automotive manufacturer
- ✓ Broadening our leadership position in machining of additional EV components

Renewables



- ✓ Expanding reach into other wind turbine components
- ✓ Share gains achieved through superior design and support capabilities

Mining



- ✓ Strengthened relationship by enabling customer to increase productivity
- ✓ Won significant incremental sales across broader product portfolio

Oil & Gas



- ✓ Supported major oil field services company in development of higher efficiency well-completion technology
- ✓ Named sole source supplier for ability to optimize a complex design and manufacturing consistency

Additive Manufacturing

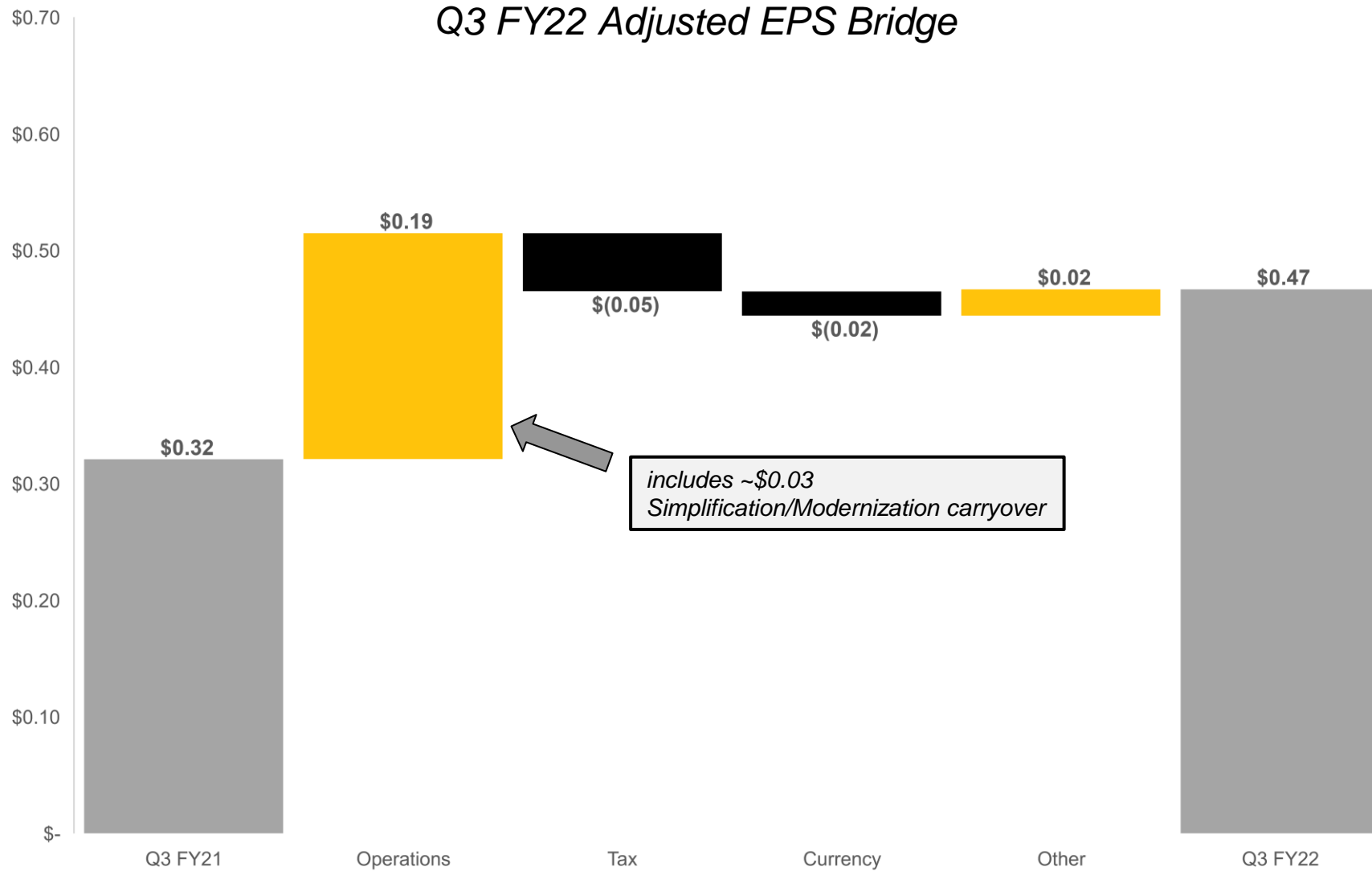


- ✓ Expertise in additive manufacturing enables greater design flexibility & shorter lead times
- ✓ Enables further share gains in flow control devices

Consolidated Q3 FY22 Financial Overview

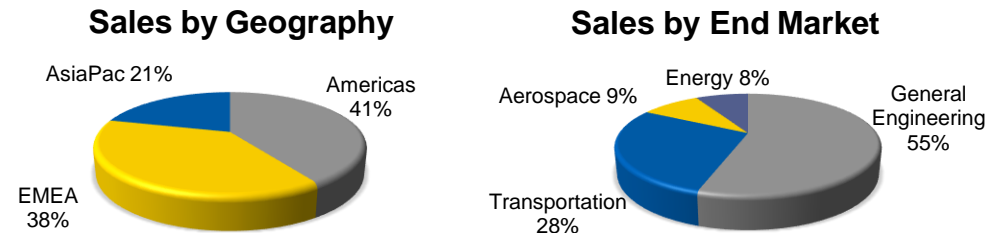
Quarter Ended (\$ in millions)	Change from PY	Adjusted		Reported	
		Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Sales	6%	\$512	\$485	\$512	\$485
Organic		8%	(1)%	8%	(1)%
FX		(4)%	2%	(4)%	2%
Business Days		2%	(1)%	2%	(1)%
Gross Profit	9%	\$168	\$153	\$165	\$150
% of sales	+110 bps	32.7%	31.6%	32.1%	31.0%
Operating Expense	(2%)	\$106	\$108	\$107	\$108
% of sales	(160) bps	20.7%	22.3%	20.9%	22.3%
EBITDA	26%	\$94	\$74	\$89	\$72
% of sales	+300 bps	18.3%	15.3%	17.4%	14.9%
Operating Income	40%	\$58	\$42	\$53	\$40
% of sales	+280 bps	11.4%	8.6%	10.4%	8.2%
Effective Tax Rate	+710 bps	27.7%	20.6%	28.3%	(8.0)%
EPS (Earnings per Diluted Share)	46%	\$0.47	\$0.32	\$0.42	\$0.26

Significant EPS improvement driven by strong operating leverage



Improved margins driven by execution of operational initiatives and growth

Metal Cutting Business Segment Q3 FY22 Summary



Q3 FY22 sales \$314 million; organic sales up 5% YoY vs. flat in prior year quarter

- Regional sales trends*: Americas 11%, EMEA 9%, AsiaPac (7)%; FX effect of (5)% and 2% effect due to business days
- Adjusted operating margin increased significantly YoY by 290 bps to 11.1% from 8.2% in the prior year quarter
 - Driven mainly by price exceeding raw material increases in the period, higher volume and associated absorption, partially offset by higher manufacturing costs including COVID-19 absenteeism and higher depreciation

YoY growth in all end-markets except Transportation; overall sequential growth of 5%

- General Engineering YoY growth of 10%**
- Transportation YoY decline of (7)**; sequential improvement of ~10%
- Aerospace YoY increase of 29%**
- Energy 9%** YoY increase, solid performance mainly driven by oil & gas in North America

Commercial and Operational excellence positioning us well for profitable growth

- Commercial Excellence initiatives showing resilience despite market disruptions; continued share growth with key customers
- Strong pricing actions taken; commensurate with the economic environment
- Driving productivity improvements with more benefits to come

Note: Sequential growth at actual foreign exchange rates

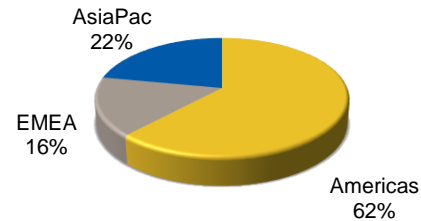
* Constant Currency Regional Sales Growth

** Constant Currency End-Market Sales Growth

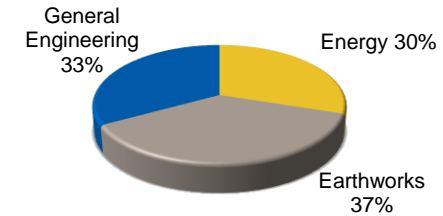
Continuing market recovery and share gain driving improvement

Infrastructure Business Segment Q3 FY22 Summary

Sales by Geography



Sales by End Market



Q3 FY22 sales \$198 million; 12% organic sales growth vs. (3)% decline in prior year quarter

- Sales affected by (1)% from FX and 1% effect from business days
- Regional sales trends*: Americas 20%, EMEA 13%, AsiaPac 0%
- Adjusted operating margin improved YoY by 190 basis points to 12% from 10.1% in the prior year quarter
 - Driven by price exceeding raw material increases in the period and higher volume and associated absorption

End-markets continuing to improve; YoY growth in all end-markets, sequential growth of 6%

- Energy end-market increased 33% YoY with oil & gas improving off low levels
 - Average US land only rig count improved ~16% sequentially
- General Engineering YoY growth of 1% driven by EMEA and AsiaPac, partially offset by Americas
- Earthworks up 13% YoY, with growth in all regions

Commercial and Operational Excellence initiatives positioning us well for outperformance as end-markets recover

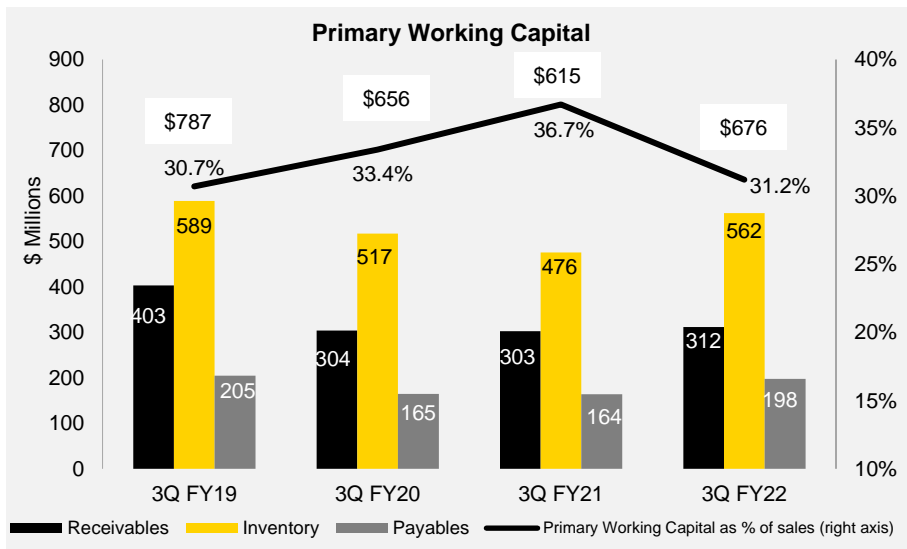
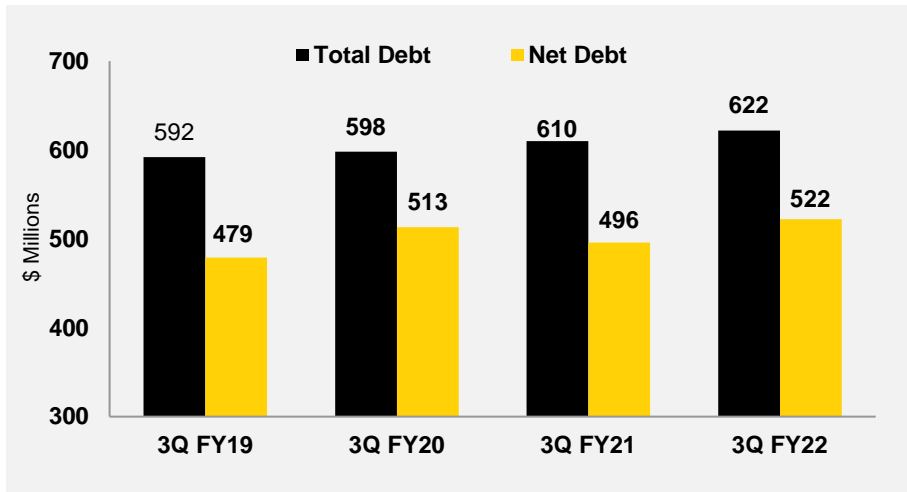
- Growth initiatives driving share gain across regions and end-markets
- Productivity initiatives on track and continuing to improve customer service levels

Note: Sequential growth at actual foreign exchange rates

* Constant Currency Regional Sales Growth

** Constant Currency End Market Sales Growth

Strong balance sheet and cash flow generation allows capital allocation flexibility



Debt Structure & Covenants

Debt profile

- Two \$300M notes mature June 2028 & March 2031
- \$700M revolver matures June 2023
- Covenant ratios well within limits ⁽¹⁾

\$200M 3-year share repurchase program

- Q3: \$15M purchased; 460K shares
- Since inception: \$50M purchased; 1.4M shares

⁽¹⁾ definitions as per the credit agreement

Consolidated Results (\$ Millions)	3Q FY22	3Q FY21
Cash flow from Operations	\$35	\$72
Capital Expenditures, Net	\$22	\$25
Free Operating Cash Flow (FOCF)	\$13	\$47
Dividends	(\$17)	(\$17)

FY22 Outlook: Delivering strong full year operating leverage and margin improvement

Q4 FY22 Outlook

Sales	\$510M - \$530M (~flat to ~3%)
Adj. Operating Income	≥ \$55M

Total Year FY22 Outlook

Temporary Costs	~\$25M headwind YoY (only in 1H FY22)
Adj. Effective Tax Rate	26% - 28% (vs. 23.6% in FY21)
Depreciation & Amortization	~\$135 (up ~\$10M YoY)
Capital Spending	~\$105M (vs. \$123M in FY21)
Primary Working Capital (% of sales)	~31% by FY22 year-end
Free Operating Cash Flow (FOCF)	~75% of adjusted net income

Q4 outlook range reflects following assumptions:

- Continued growth in Aerospace, Energy, Earthworks and General Engineering
 - Transportation flat sequentially
- Margins ~flat sequentially; despite increasing inflation (offset by price and productivity)
- YoY lower price/raw favorability and higher inflation
- Ukraine conflict continuing to affect customers mainly in Europe
- Wind down of sales and operations in Russia
- China COVID-19 lockdowns continue through mid-May

Full-year outlook reflects:

- Q4 assumptions
- Strong full-year operating leverage
- FOCF lower than prior outlook due to higher working capital from lower-than-expected Q4 sales driven by:
 - Recent COVID-19 lockdowns in China
 - Effects from Ukraine conflict

Despite market disruptions, leveraging modernized footprint to gain share and improve margins

Looking Ahead: Foundation in place for outperformance

End-market outlook

- Recent geopolitical, supply chain and COVID-19 related disruptions masking strength of most end markets
- Transportation flat but underlying demand remains strong; expect recovery with resolution of supply chain issues

Commercial Excellence initiatives driving share gain

- Wins this quarter reflect continuing success and underscore the strength of our innovation and manufacturing capabilities
 - Broadening our leadership position in electric vehicle applications, additive manufacturing and mining
 - Customer focus in natural resources industries driving share gains
- Continuing to price for value and to protect against inflation

Operational Excellence initiatives driving growth and higher margins

- Ongoing benefits from operationalizing modernization investment

Appendix



Adjusted Segment Results

Quarter ended (\$ in millions)	March 31, 2022			March 31, 2021		
	Metal Cutting	Infrastructure	Total	Metal Cutting	Infrastructure	Total
Sales	\$314	\$198	\$512	\$308	\$177	\$485
Organic	5%	12%	8%	0%	(3)%	(1)%
FX	(5)%	(1)%	(4)%	3%	2%	2%
Business Days	2%	1%	2%	(1)%	(1)%	(1)%
Constant Currency Regional Growth:						
Americas	11%	20%	15%	(9)%	(11)%	(10)%
EMEA	9%	13%	9%	0%	(13)%	(3)%
AsiaPac	(7)%	0%	(4)%	10%	30%	17%
Constant Currency End-market Growth:						
Energy	9%	33%	25%	(16)%	(14)%	(14)%
General Engineering	10%	1%	8%	1%	2%	1%
Transportation	(7)%	n/a	(7)%	11%	n/a	11%
Aerospace	29%	n/a	29%	(34)%	n/a	(34)%
Earthworks	n/a	13%	13%	n/a	(3)%	(3)%
Adjusted Operating Income	\$35	\$24	\$58	\$25	\$18	\$42
Adjusted Operating Margin	11.1%	12.0%	11.4%	8.2%	10.1%	8.6%

Balance Sheet

ASSETS (\$ in millions)	March 2022	June 2021
Cash and cash equivalents	\$100	\$154
Accounts receivable, net	312	303
Inventories	562	476
Other current assets	70	72
Total current assets	\$1,044	\$1,005
Property, plant and equipment, net	1,012	1,055
Goodwill and other intangible assets, net	381	398
Other assets	223	208
Total assets	\$2,660	\$2,666
LIABILITIES (\$ in millions)		
Revolving and other lines of credit and notes payable	\$29	\$8
Accounts payable	198	178
Other current liabilities	234	251
Total current liabilities	\$461	\$437
Long-term debt	593	592
Other liabilities	244	269
Total liabilities	\$1,298	\$1,298
Kennametal Shareowners' Equity	1,320	1,329
Noncontrolling interests	42	39
Total liabilities and equity	\$2,660	\$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 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 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 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
Q3 FY22 Reported Results	\$ 512.3	\$ 164.6	\$ 107.1	\$ 53.4	\$ 35.3	\$ 0.42	28.3 %
Reported Margins		32.1 %	20.9 %	10.4 %			
Restructuring and related charges	-	2.1	-	3.0	2.4	0.03	21.0 %
Charges related to Russian and Ukrainian operations ⁽⁶⁾	-	0.9	(0.9)	1.8	1.8	0.02	- %
Differences in projected annual tax rates	-	-	-	-	(0.4)	-	(21.6)%
Q3 FY22 Adjusted Results	\$ 512.3	\$ 167.6	\$ 106.2	\$ 58.2	\$ 39.1	\$ 0.47	27.7 %
Q3 FY22 Adjusted Margins		32.7 %	20.7 %	11.4 %			

⁽⁵⁾ Attributable to Kennametal Shareholders

⁽⁶⁾ During the third quarter of fiscal 2022, the Company ceased operations in Russia. The related charges represent the expected risk of loss related to accounts receivables and the impairment of inventory in connection with the Company's Russian and Ukrainian operations.

(\$ in millions, except percents and per share data)	Sales	Gross Profit	Operating Expense	Operating Income	Net Income ⁽⁵⁾	Diluted EPS	Effective Tax Rate
Q3 FY21 Reported Results	\$ 484.7	\$ 150.2	\$ 108.1	\$ 39.5	\$ 21.6	\$ 0.26	(8.0)%
Reported Margins		31.0 %	22.3 %	8.2 %			
Restructuring and related charges	-	2.9	-	2.1	1.5	0.02	28.6 %
Effects of early debt extinguishment	-	-	-	-	6.4	0.08	48.6 %
Discrete tax benefit	-	-	-	-	(9.3)	(0.12)	(43.5)%
Differences in projected annual tax rates	-	-	-	-	6.9	0.08	(5.1)%
Q3 FY21 Adjusted Results	\$ 484.7	\$ 153.2	\$ 108.1	\$ 41.6	\$ 27.1	\$ 0.32	20.6 %
Q3 FY21 Adjusted Margins		31.6 %	22.3 %	8.6 %			

Non-GAAP Reconciliations (cont'd)

(\$ in millions)	Three Months Ended March 31,	
	2022	2021
Net income attributable to Kennametal, reported	\$ 35.3	\$ 21.6
Add back:		
Interest expense	6.4	20.9
Interest income	(0.3)	(0.2)
Provision for (benefit from) income taxes, reported	14.6	(1.7)
Depreciation	29.8	28.2
Amortization	3.2	3.4
EBITDA	\$ 89.0	\$ 72.2
Margin	17.4 %	14.9 %
Adjustments:		
Restructuring and related charges	3.0	2.1
Charges related to Russian and Ukrainian operations(6)	1.8	-
Adjusted EBITDA	\$ 93.8	\$ 74.3
Adjusted Margin	18.3 %	15.3 %

Non-GAAP Reconciliations (cont'd)

(\$ in millions, except percents)	Metal Cutting		Infrastructure	
	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q3 FY22 Reported Results	\$ 313.8	\$ 30.2	\$ 198.4	\$ 23.7
Reported Operating Margin		9.6 %		11.9 %
Restructuring and related charges	-	3.0	-	-
Charges related to Russian and Ukrainian operations ⁽⁶⁾	-	1.6	-	0.2
Q3 FY22 Adjusted Results	\$ 313.8	\$ 34.9	\$ 198.4	\$ 23.9
Q3 FY22 Adjusted Operating Margin		11.1 %		12.0 %

⁽⁶⁾ During the third quarter of fiscal 2022, the Company ceased operations in Russia. The related charges represent the expected risk of loss related to accounts receivables and the impairment of inventory in connection with the Company's Russian and Ukrainian operations.

(\$ in millions, except percents)	Metal Cutting		Infrastructure	
	Metal Cutting Sales	Metal Cutting Operating Income	Infrastructure Sales	Infrastructure Operating Income
Q3 FY21 Reported Results	\$ 308.1	\$ 22.7	\$ 176.5	\$ 18.3
Reported Operating Margin		7.4 %		10.4 %
Restructuring and related charges	-	2.5	-	(0.4)
Q3 FY21 Adjusted Results	\$ 308.1	\$ 25.2	\$ 176.5	\$ 17.8
Q3 FY21 Adjusted Operating Margin		8.2 %		10.1 %

Non-GAAP Reconciliations (cont'd)

Three Months Ended March 31, 2022	Metal Cutting	Infrastructure	Kennametal
Organic sales growth	5%	12%	8%
Foreign currency exchange effect	(5)%	(1)%	(4)%
Business days effect	2%	1%	2%
Sales growth	2%	12%	6%

Three Months Ended March 31, 2021	Metal Cutting	Infrastructure	Kennametal
Organic sales decline	0%	(3)%	(1)%
Foreign currency exchange effect	3%	2%	2%
Business days effect	(1)%	(1)%	(1)%
Sales growth (decline)	2%	(2)%	0%

Non-GAAP Reconciliations (cont'd)

Metal Cutting			
Three Months Ended March 31, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	11 %	9 %	(7)%
Foreign currency exchange effect	0%	(10)%	(1)%
Regional sales growth (decline)	11 %	(1)%	(8)%

Infrastructure			
Three Months Ended March 31, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth	20 %	13 %	0%
Foreign currency exchange effect	(1)%	(7)%	1 %
Regional sales growth	19 %	6 %	1 %

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Three Months Ended March 31, 2022	Americas	EMEA	Asia Pacific
Constant currency regional sales growth (decline)	15 %	9 %	(4)%
Foreign currency exchange effect	0%	(9)%	(1)%
Regional sales growth (decline)	15 %	0%	(5)%

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended March 31, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(9)%	0%	10 %
Foreign currency exchange effect	(1)%	7 %	5 %
Regional sales (decline) growth	(10)%	7 %	15 %

Infrastructure

Three Months Ended March 31, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(11)%	(13)%	30 %
Foreign currency exchange effect	0%	6 %	7 %
Regional sales (decline) growth	(11)%	(7)%	37 %

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Three Months Ended March 31, 2021	Americas	EMEA	Asia Pacific
Constant currency regional sales (decline) growth	(10)%	(3)%	17 %
Foreign currency exchange effect	0%	7 %	5 %
Regional sales (decline) growth	(10)%	4 %	22 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended March 31, 2022	General			
	Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth (decline)	10 %	(7)%	29 %	9 %
Foreign currency exchange effect	(4)%	(4)%	(5)%	(3)%
End market sales growth (decline)	6 %	(11)%	24 %	6 %

Infrastructure

Three Months Ended March 31, 2022	General		
	Energy	Earthworks	Engineering
Constant currency end market sales growth	33 %	13 %	1 %
Foreign currency exchange effect	(2)%	(2)%	(1)%
End market sales growth	31 %	11 %	0%

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Three Months Ended March 31, 2022	General				
	Energy	Earthworks	Engineering	Transportation	Aerospace
Constant currency end market sales growth (decline)	25 %	13 %	8 %	(7)%	29 %
Foreign currency exchange effect	(2)%	(2)%	(4)%	(4)%	(5)%
End market sales growth (decline)	23 %	11 %	4 %	(11)%	24 %

Non-GAAP Reconciliations (cont'd)

Metal Cutting

Three Months Ended March 31, 2021	General			
	Engineering	Transportation	Aerospace	Energy
Constant currency end market sales growth (decline)	1 %	11 %	(34)%	(16)%
Foreign currency exchange effect	3 %	4 %	2 %	4 %
End market sales growth (decline)	4 %	15 %	(32)%	(12)%

Infrastructure

Three Months Ended March 31, 2021	General		
	Energy	Earthworks	Engineering
Constant currency end market sales (decline) growth	(14)%	(3)%	2 %
Foreign currency exchange effect	2 %	3 %	3 %
End market sales (decline) growth	(12)%	0%	5 %

Kennametal

Three Months Ended March 31, 2021	General				
	Energy	Earthworks	Engineering	Transportation	Aerospace
Constant currency end market sales (decline) growth	(14)%	(3)%	1 %	11 %	(34)%
Foreign currency exchange effect	2 %	3 %	3 %	4 %	2 %
End market sales (decline) growth	(12)%	0%	4 %	15 %	(32)%

Non-GAAP Reconciliations (cont'd)

Net Debt (in millions)	Three Months Ended			
	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Total debt (gross)	\$ 621.9	\$ 610.4	\$ 598.1	\$ 592.1
Less: cash and cash equivalents	100.0	114.3	85.2	112.6
Net debt	\$ 521.9	\$ 496.1	\$ 512.9	\$ 479.5

(in millions)	Three Months Ended March 31,	
	2022	2021
Net cash flow provided by operating activities	\$ 35.2	\$ 71.8
Purchases of property, plant and equipment	(22.4)	(25.5)
Proceeds from disposals of property, plant and equipment	0.2	0.3
Free operating cash flow	\$ 13.0	\$ 46.7

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021	Average
Current assets	\$ 1,043,241	\$ 984,210	\$ 966,948	\$ 1,004,807	\$ 966,916	
Current liabilities	460,365	410,983	389,223	437,394	425,553	
Working capital, GAAP	\$ 582,876	\$ 573,218	\$ 577,725	\$ 567,413	\$ 541,363	
Excluding items:						
Cash and cash equivalents	(99,982)	(101,799)	(107,316)	(154,047)	(114,307)	
Other current assets	(69,582)	(76,794)	(74,906)	(71,470)	(73,235)	
Total excluded current assets	(169,564)	(178,593)	(182,222)	(225,517)	(187,542)	
Adjusted current assets	873,677	805,608	784,726	779,290	779,374	
Revolving and other lines of credit and notes payable to banks	(28,736)	(12,228)	(368)	(8,365)	(18,745)	
Other current liabilities	(233,942)	(212,898)	(211,778)	(251,370)	(242,327)	
Total excluded current liabilities	(262,678)	(225,126)	(212,146)	(259,735)	(261,072)	
Adjusted current liabilities	197,687	185,857	177,077	177,659	164,481	
Primary working capital	\$ 675,990	\$ 619,751	\$ 607,649	\$ 601,631	\$ 614,893	\$ 623,983
	Three Months Ended					
	3/31/2022	12/31/2021	9/30/2021	6/30/2021	Total	
Sales	\$ 512,259	\$ 486,673	\$ 483,509	\$ 515,971	\$ 1,998,412	
Primary working capital as a percentage of sales						31.2 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020	Average
Current assets	\$ 966,916	\$ 948,686	\$ 935,721	\$ 1,440,812	\$ 966,723	
Current liabilities	425,553	402,641	415,573	898,080	383,131	
Working capital, GAAP	\$ 541,363	\$ 546,045	\$ 520,148	\$ 542,732	\$ 583,592	
Excluding items:						
Cash and cash equivalents	(114,307)	(103,188)	(98,290)	(606,684)	(85,230)	
Other current assets	(73,235)	(73,123)	(78,700)	(73,698)	(60,550)	
Total excluded current assets	(187,542)	(176,311)	(176,990)	(680,382)	(145,780)	
Adjusted current assets	779,374	772,375	758,731	760,430	820,943	
Current maturities of long-term debt and capital leases, including notes payable	(18,745)	(34,979)	(46,458)	(500,368)	(4,500)	
Other current liabilities	(242,327)	(233,509)	(233,039)	(233,071)	(213,569)	
Total excluded current liabilities	(261,072)	(268,488)	(279,497)	(733,439)	(218,069)	
Adjusted current liabilities	164,481	134,153	136,076	164,641	165,062	
Primary working capital	\$ 614,893	\$ 638,222	\$ 622,655	\$ 595,789	\$ 655,881	\$ 625,488
	Three Months Ended					
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	Total	
Sales	\$ 484,658	\$ 440,507	\$ 400,305	\$ 379,053	\$ 1,704,523	
Primary working capital as a percentage of sales						36.7 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019	Average
Current assets	\$ 966,723	\$ 1,035,912	\$ 1,065,389	\$ 1,190,827	\$ 1,162,842	
Current liabilities	383,131	409,110	418,719	461,726	430,018	
Working capital, GAAP	\$ 583,592	\$ 626,802	\$ 646,670	\$ 729,101	\$ 732,824	
Excluding items:						
Cash and cash equivalents	(85,230)	(105,210)	(113,522)	(182,015)	(112,597)	
Other current assets	(60,550)	(97,824)	(67,106)	(57,381)	(58,221)	
Total excluded current assets	(145,780)	(203,034)	(180,628)	(239,396)	(170,818)	
Adjusted current assets	820,943	832,878	884,761	951,431	992,024	
Current maturities of long-term debt and capital leases, including notes payable	(4,500)	(2,102)	(3,528)	(157)	-	
Other current liabilities	(213,569)	(233,848)	(216,517)	(248,661)	(224,949)	
Total excluded current liabilities	(218,069)	(235,950)	(220,045)	(248,818)	(224,949)	
Adjusted current liabilities	165,062	173,160	198,674	212,908	205,069	
Primary working capital	\$ 655,881	\$ 659,718	\$ 686,087	\$ 738,523	\$ 786,955	\$ 705,433
			Three Months Ended			
		3/31/2020	12/31/2019	9/30/2019	6/30/2019	Total
Sales		\$ 483,084	\$ 505,080	\$ 518,088	\$ 603,949	\$ 2,110,201
Primary working capital as a percentage of sales						33.4 %

Non-GAAP Reconciliations (cont'd)

(in thousands, except percents)	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018	Average
Current assets	\$ 1,162,842	\$ 1,119,034	\$ 1,121,482	\$ 1,546,166	\$ 1,240,587	
Current liabilities	430,018	412,053	439,171	886,531	477,790	
Working capital, GAAP	\$ 732,824	\$ 706,981	\$ 682,311	\$ 659,635	\$ 762,797	
Excluding items:						
Cash and cash equivalents	(112,597)	(96,276)	(102,084)	(556,153)	(221,906)	
Other current assets	(58,221)	(63,509)	(63,461)	(63,257)	(70,926)	
Total excluded current assets	(170,818)	(159,785)	(165,545)	(619,410)	(292,832)	
Adjusted current assets	992,024	959,249	955,937	926,756	947,755	
Current maturities of long-term debt and capital leases, including notes payable	-	(3,371)	(756)	(400,200)	(1,399)	
Other current liabilities	(224,949)	(210,332)	(217,528)	(264,428)	(256,186)	
Total excluded current liabilities	(224,949)	(213,703)	(218,284)	(664,628)	(257,585)	
Adjusted current liabilities	205,069	198,350	220,887	221,903	220,205	
Primary working capital	\$ 786,955	\$ 760,899	\$ 735,050	\$ 704,853	\$ 727,550	\$ 743,061
			Three Months Ended			
		3/31/2019	12/31/2018	9/30/2018	6/30/2018	Total
Sales		\$ 597,204	\$ 587,394	\$ 586,687	\$ 646,119	\$ 2,417,404
Primary working capital as a percentage of sales						30.7 %