HILLENBRAND

Q4 FY 2022
EARNINGS CALL PRESENTATION

November 17, 2022

Hillenbrand Participants

Kim Ryan
President & CEO

Bob VanHimbergen
SVP & CFO

Sam Mynsberge
Sr. Director, Investor Relations

Disclosure Regarding Forward-Looking Statements

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Throughout this earnings release, we make a number of “forward-looking statements,” including statements regarding the exploration of potential strategic alternatives for our Batesville reportable operating segment (the “Strategic Process”), that are within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and that are intended to be covered by the safe harbor provided under these sections. As the words imply, these are statements about future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases, ability to meet deleveraging goals, and other measures of financial performance or potential future plans or events, strategies, objectives, beliefs, prospects, assumptions, expectations, and projected costs or savings or transactions of the Company that might or might not happen in the future, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand’s (the “Company”) expectations and projections.

intend	believe	plan	expect	may	goal	would	project	position
become	pursue	estimate	will	forecast	continue	could	anticipate	remain
target	encourage	promise	improve	progress	potential	should	impact	

This is not an exhaustive list, but is intended to give you an idea of how we try to identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

Here is the key point: Forward-looking statements are not guarantees of future performance or events, and actual results or events could differ materially from those set forth in any forward-looking statements. Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. These factors include, but are not limited to: global market and economic conditions, including those related to the financial markets; the impact of contagious diseases such as the COVID-19 pandemic and the escalation thereof due to variant strains of the virus and the societal, governmental, and individual responses thereto, including supply chain disruption, loss of contracts and/or customers, erosion of some customers’ credit quality, downgrades of the Company’s credit quality, closure or temporary interruption of the Company’s or its suppliers’ manufacturing facilities, travel, shipping and logistical disruptions, domestic and international general economic conditions, such as inflation, exchange rates and interest rates, loss of human capital or personnel, and general economic calamities; risks related to the Russian Federation’s invasion of Ukraine (referred to herein as the “Ukraine War”) and resulting geopolitical instability and uncertainty, which could have a negative impact on our ability to sell to, ship products to, collect payments from, and support customers in certain regions, in addition to the potential effect of supply chain disruptions that could adversely affect profitability; the risk of business disruptions associated with information technology, cyber-attacks, or catastrophic losses affecting infrastructure; negative effects of the Linxis Group SAS (“Linxis”) acquisition or other acquisitions on the Company’s business, financial condition, results of operations and financial performance (including the ability of the Company to maintain relationships with its customers, suppliers and others with whom it does business); the possibility that the anticipated benefits from the Linxis acquisition and other acquisitions cannot be realized by the Company in full or at all or may take longer to realize than expected; risks that the integrations of Linxis or other acquired businesses disrupt current operations or pose potential difficulties in employee retention or otherwise affects financial or operating results; the duration and outcome of the Strategic Process; the possibility that a transaction or proposed transaction resulting from the Strategic Process (a “Batesville Transaction”), if any, is ultimately not consummated; potential adverse effects of the announcement or results of the Strategic Process or a Batesville Transaction, if any, on the market price of the Company’s common stock, or on the ability of Batesville to develop and maintain relationships with its personnel and customers, suppliers and others with whom it does business or otherwise on the Company’s business, financial condition, results of operations and financial performance; risks related to diversion of Batesville management’s attention from Batesville’s ongoing business operations due to the Strategic Process; the impact of the Strategic Process on the ability of the Company to retain and hire key personnel for the Batesville business; increasing competition for highly skilled and talented workers as well as labor shortages; our level of international sales and operations; the impact of incurring significant amounts of indebtedness and any inability of the Company to respond to changes in its business or make future desirable acquisitions; the ability of the Company to comply with financial or other covenants in debt agreements; cyclical demand for industrial capital goods; the ability to recognize the benefits of any acquisition or disposition, including potential synergies and cost savings or the failure of the Company or any acquired company to achieve its plans and objectives generally; impairment charges to goodwill and other identifiable intangible assets; competition in the industries in which we operate, including on price; impacts of decreases in demand or changes in technological advances, laws, or regulation on the revenues that we derive from the plastics industry; our reliance upon employees, agents, and business partners to comply with laws in many countries and jurisdictions; increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; continued fluctuations in mortality rates and increased cremations; the dependence of our business units on relationships with several large customers and providers; competition faced by our Batesville business from non-traditional sources; the impact to the Company’s effective tax rate of changes in the mix of earnings or tax laws and certain other tax-related matters; exposure to tax uncertainties and audits; involvement in claims, lawsuits and governmental proceedings related to operations; uncertainty in the United States political and regulatory environment or global trade policy; adverse foreign currency fluctuations; labor disruptions; and the effect of certain provisions of the Company’s governing documents and Indiana law that could decrease the trading price of the Company’s common stock. There can be no assurance that the Strategic Process will result in a Batesville Transaction or that any Batesville Transaction or other transaction described above, if pursued, will be consummated on terms our investors view as favorable or at all. Shareholders, potential investors, and other readers are urged to consider these risks and uncertainties in evaluating forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. For a more in-depth discussion of these and other factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Part I, Item 1A of Hillenbrand’s Form 10-K for the year ended September 30, 2022, filed with the Securities and Exchange Commission ("SEC") on November 16, 2022. The forward-looking information in this release speaks only as of the date hereof, and we assume no obligation to update or revise any forward-looking information.

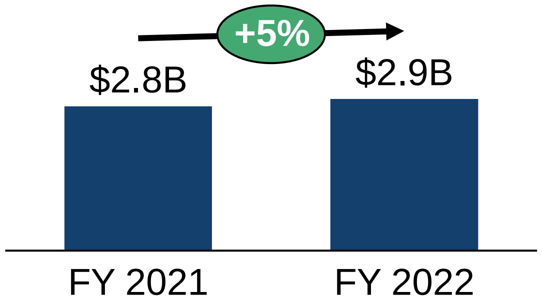
FY 2022 Year in Review: Well Positioned for Long-Term Growth

FY 2022 Highlights

- Company Purpose, Shape What Matters for Tomorrow™, serves as the foundation of our culture
- Surpassed $75 million annual run-rate synergy target for Milacron integration ahead of schedule
- Record revenue and adjusted EBITDA for Advanced Process Solutions and Molding Technology Solutions segments; industrial revenue up 6%, or 11% excluding FX
- Backlog of $1.76B, up 5%, or 18% excluding FX, provides confidence and stability heading into FY 2023
- Acquisitions further position Hillenbrand for long-term profitable growth in attractive end markets of recycling and food
- Batesville strategic alternatives review remains ongoing

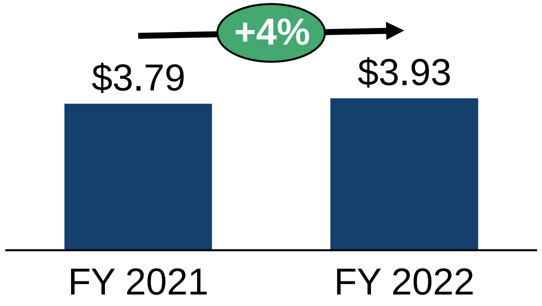
FY 2022 Performance Milestones

Pro Forma Revenue[1]



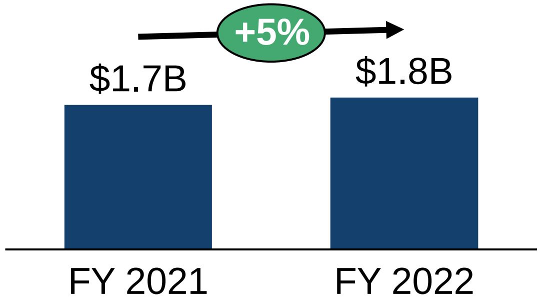
+9% excl. FX

Adj. EPS[2]



+9% excl. FX

Pro Forma Backlog[1]



+18% excl. FX

[1] Pro forma comparisons exclude the divested Red Valve, ABEL, and TerraSource Global businesses from FY 2021.
[2] Pro forma revenue and adjusted EPS are non-GAAP measures. See appendix for further information and GAAP reconciliation. See appendix for information regarding and reconciliation of pro forma backlog.

Strategic Acquisitions Enhance Long-Term Profitable Growth in Attractive End Markets

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Total Food & Pharma revenue of ~$400M+ would represent ~13% of HI revenue (vs. ~3% today)

Herbold Meckesheim

Leading provider of plastics recycling technologies

Acquired
September 2022

Annual Revenue[1]
~$70M

Key Technologies
Size Reduction
Washing
Shredding
Drying

Strategic Rationale
Highly complementary to Coperion equipment; complete recycling solutions in fast-growing, sustainability-driven market

Linxis Group

Leading brands of food processing technologies

Acquired
October 2022

Annual Revenue[2]
~$300M

Key Technologies
Ingredient Automation
Mixing
Portioning

Strategic Rationale
Highly complementary to Coperion equipment; enhances capabilities and scale in attractive food & pharma end markets; strong aftermarket growth opportunity

Gabler

Specialist in food extrusion equipment

Acquired
June 2022

Annual Revenue[1]
~$6M

Key Technologies
Extrusion

Strategic Rationale
Highly complementary to Coperion and Linxis brands

Peerless Food Equipment

Leading provider of industrial food processing equipment

Signed
Expected to close before end of CY22

Annual Revenue[2]
~$30M

Key Technologies
Mixing
Feeders

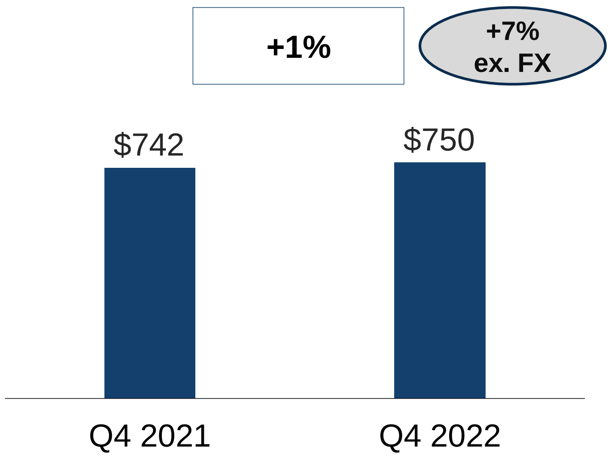
Strategic Rationale
Highly complementary to Linxis brands; strong aftermarket revenue (~40% of revenue)

Total Capital Deployed of ~$740 Million

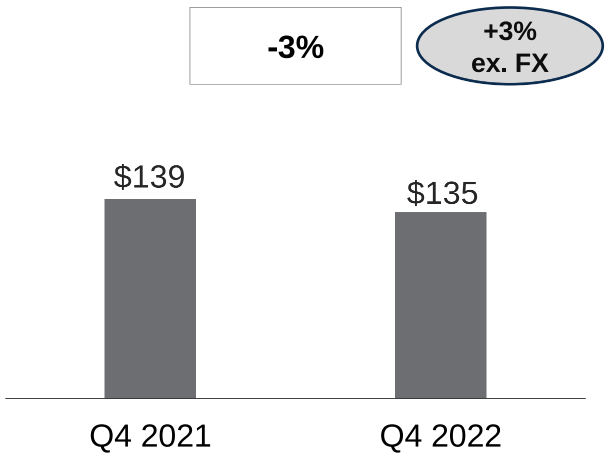
[1]Reflects full FY22 revenue, but total Hillenbrand FY22 results only includes the portion of revenue recognized from the closing date through September 30, 2022. [2]Based on CY22E revenue.

Consolidated Performance – Q4 FY 2022 ($M)

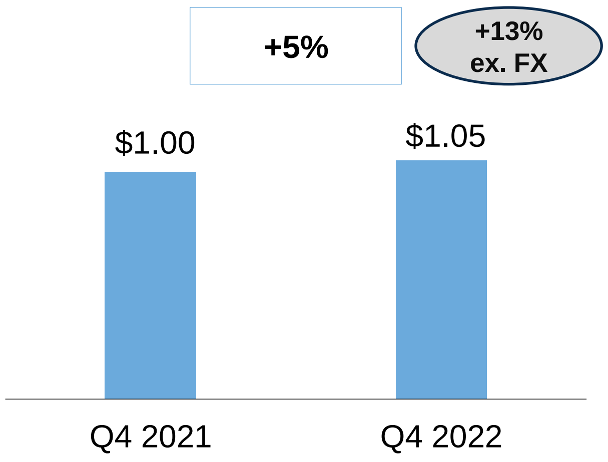
Pro Forma Revenue[1]



Pro Forma Adj. EBITDA[1]



Adj. EPS[1]



Operating Cash Flow

Performance Highlights

- Revenue increased 1% on a pro forma basis[1] primarily driven by favorable pricing and an increase in aftermarket parts and service and injection molding equipment; excluding the impact of foreign currency exchange, revenue increased 7%
- Adj. EBITDA[1] of $135 million decreased 3% on pro forma basis[1], but increased 3% excluding the impact of foreign currency exchange; adj. EBITDA margin[1] of 18.0% decreased 80 basis points on a pro forma basis[1] primarily due to the dilutive effect of price-cost coverage and lower volume in Batesville, which more than offset operating leverage from higher volume in our industrial segments
- GAAP EPS of $0.81 increased 9% over the prior year; adj. EPS[1] of $1.05 increased $0.05, or 5%, as favorable pricing, productivity, higher volume in our industrial segments, and lower shares outstanding were partially offset by inflation and the impact of foreign currency exchange
- Operating Cash Flow of $97 million was up $11 million vs. prior year primarily due to higher customer advances and timing of cash paid for taxes, partially offset by higher inventory

Business Update

- Total backlog of $1.76 billion provides a strong foundation during this uncertain macro environment
- Industrial demand remained strong in Advanced Process Solutions segment, but we saw an increase in customer decision delays within the Molding Technology Solutions segment that we anticipate will continue through at least the 1H of FY 2023 given the increasing global macroeconomic uncertainty
- As expected, Batesville demand continued to normalize in the quarter due to an estimated decrease in deaths associated with COVID-19
- Overall HI fully offset inflation with price on a dollar-for-dollar basis in the quarter; we expect overall price-cost coverage to be positive in FY 2023
- Inventory remained elevated given the high backlog and continued supply chain disruptions

[1] Pro forma comparisons exclude the divested TerraSource Global business from Q4 2021. Pro forma revenue, adjusted EPS, adjusted EBITDA, and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Segment Performance: Advanced Process Solutions ($M)

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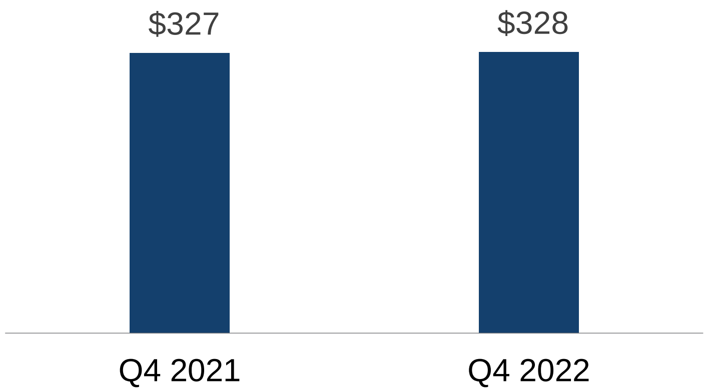
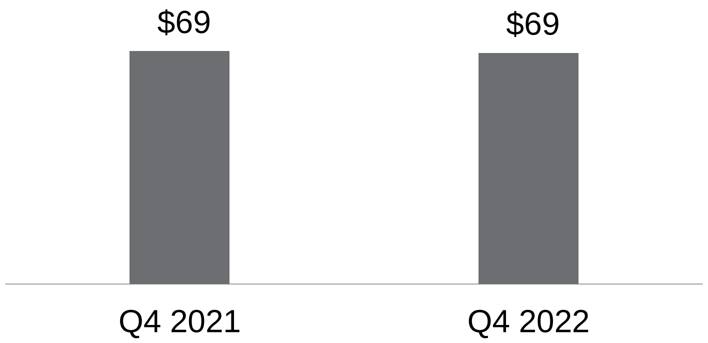
Pro Forma Revenue[1]

~Flat | +11% ex. FX



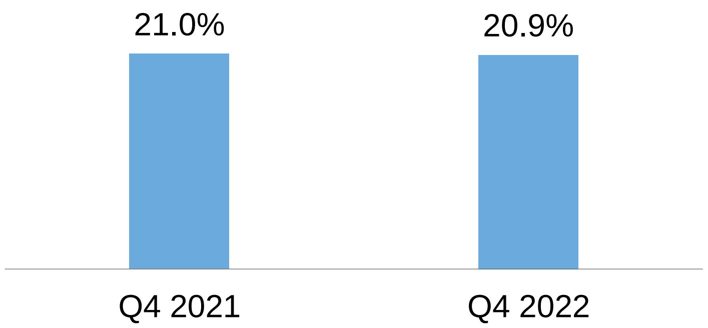
Pro Forma Adj. EBITDA[1]

-1% | +9% ex. FX



Pro Forma Adj. EBITDA Margin[1]

-10 bps



Performance Highlights

- Revenue of $328 million was flat on a pro forma basis[1] driven by favorable pricing and an increase in aftermarket parts and service; excluding the impact of foreign currency exchange, revenue increased 11%
- Adj. EBITDA of $69 million decreased 1% on a pro forma basis[1], but increased 9% excluding the impact of foreign currency exchange; adj. EBITDA margin[1] of 20.9% was essentially flat primarily due to the dilutive effect of price-cost coverage
- Record Backlog of $1.4 billion increased 6% on a pro forma basis[1] compared to the prior year, or 22% excluding the impact of foreign currency exchange, primarily driven by increased demand for large plastics projects and aftermarket parts and service, and the acquisition of Herbold

Business Update

- Orders were strong for large plastics systems and achieved a record level for aftermarket parts and services in the quarter
- The order pipeline remains healthy for large plastics projects, aftermarket parts and services, recycling and food, though we do see some delay in the timing of customer decisions
- Price-cost was slightly positive on dollar-for-dollar basis in the quarter, but the impact to margin was dilutive; we expect price-cost coverage to continue to be positive in FY 2023
- Recent acquisitions will have a dilutive effect to margins, but through the deployment of the HOM, we expect to bring them to segment-level margins over the next few years
- Monitoring the effect of continued supply chain challenges, including the impact of any potential shutdowns related to China's zero-COVID policy

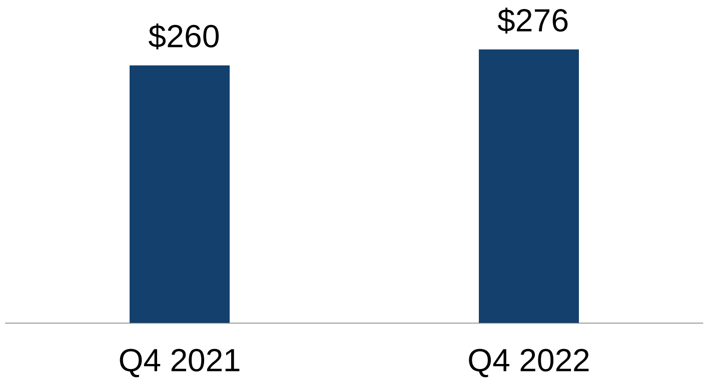
[1] Pro forma comparisons exclude the divested TerraSource Global business from Q4 2021. Pro forma revenue, adjusted EBITDA, and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Segment Performance: Molding Technology Solutions ($M)

Revenue

+6%

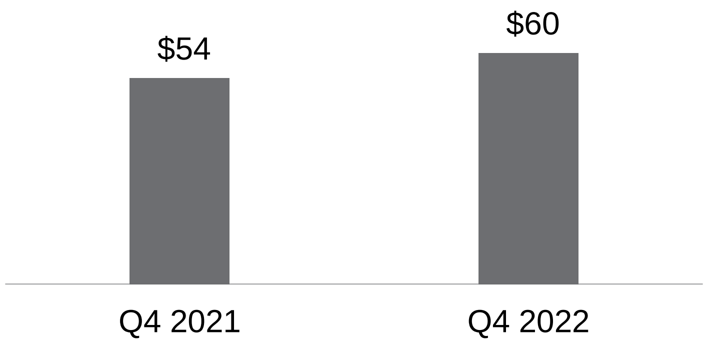
+11% ex. FX



Adj. EBITDA[1]

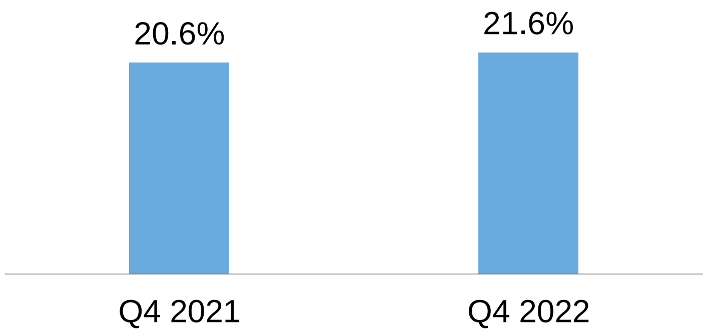
+11%

+16% ex. FX



Adj. EBITDA Margin[1]

100 bps



Performance Highlights

- Revenue of $276 million increased 6% year over year, or 11% excluding the impact of foreign currency exchange, primarily driven by favorable pricing and higher injection molding volume
- Adj. EBITDA[1] of $60 million increased 11% compared to the prior year, or 16% excluding the impact of foreign currency exchange; adj. EBITDA margin[1] of 21.6% increased 100 basis points as favorable pricing, operating leverage from higher volume, and productivity improvements more than offset inflation
- Backlog of $364 million was essentially flat year over year, or up 3% excluding the impact of foreign currency exchange

Business Update

- Strong backlog position entering FY 2023; however, order softness in the quarter is expected to continue through at least the 1H of FY 2023 from delays in customer decisions due to the increase in global macroeconomic uncertainty
- Price-cost coverage was positive in the quarter, which we expect to continue throughout FY 2023
- Expect unfavorable product mix to dilute margins in FY 2023 as the injection molding product line, which has lower relative margin, will be less impacted in FY 2023 by the slowdown in orders given the high backlog
- Monitoring the effect of continued supply chain challenges, including the impact of any potential shutdowns related to China's zero-COVID policy
- Actively monitoring the dynamic demand environment to control discretionary costs and protect margins

[1] Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

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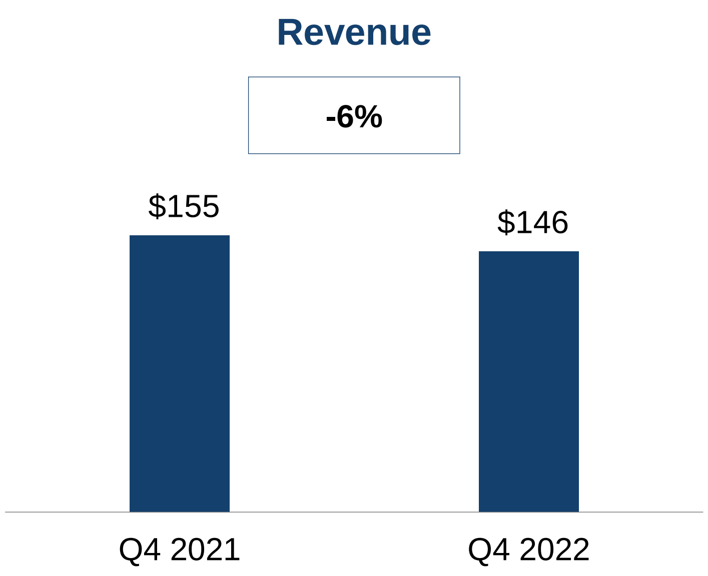
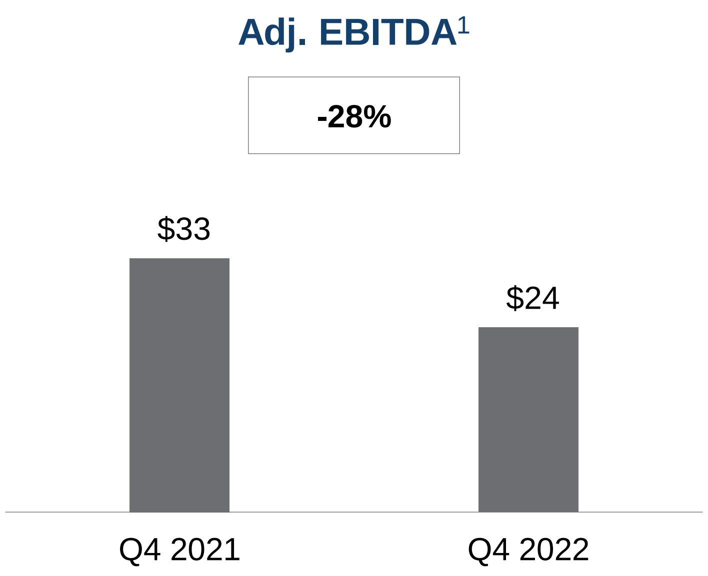
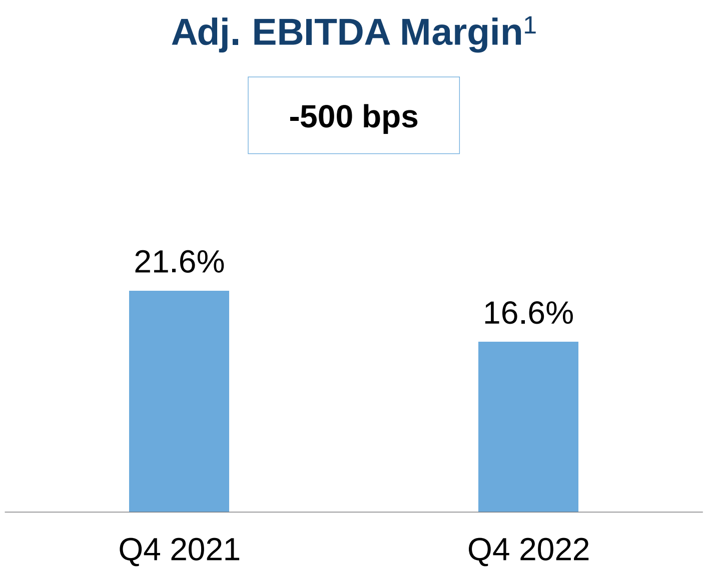
Segment Performance: Batesville ($M)







Performance Highlights

- Revenue of $146 million decreased 6% year over year due to lower burial casket volume resulting from an estimated decrease in deaths associated with the declining effects of the COVID-19 pandemic and an estimated increase in the rate at which families opted for cremation; this decrease was partially offset by price surcharges implemented earlier in the year to offset the significant increase in commodity costs
- Adj. EBITDA[1] of $24 million decreased 28% compared to the prior year, while adj. EBITDA margin[1] of 16.6% decreased 500 basis points primarily due to the impact of lower volume and the dilutive effect of price-cost coverage

Business Update

- Burial demand continued to normalize in the quarter and is expected to be a headwind in the 1H of FY 2023 given the impact of the Omicron variant in the 1H of FY 2022
- Price fully offset inflation on dollar-for-dollar basis in the quarter, but the impact to margin was dilutive; we expect price to offset inflation in FY 2023, but given the nature of the price surcharge, we do not anticipate margin accretion
- The business is focused on driving productivity projects which we anticipate will help mitigate the decremental margin from lower volume

[1] Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Consolidated Performance – FY 2022 ($M)

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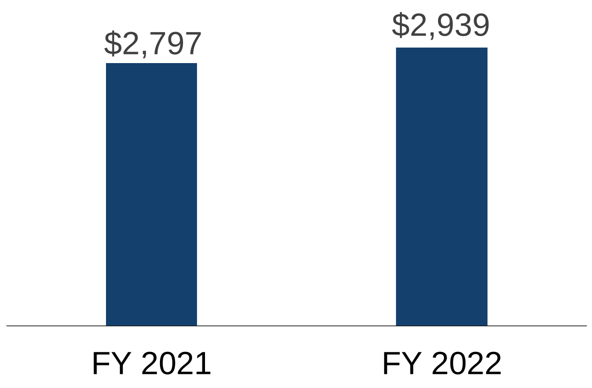
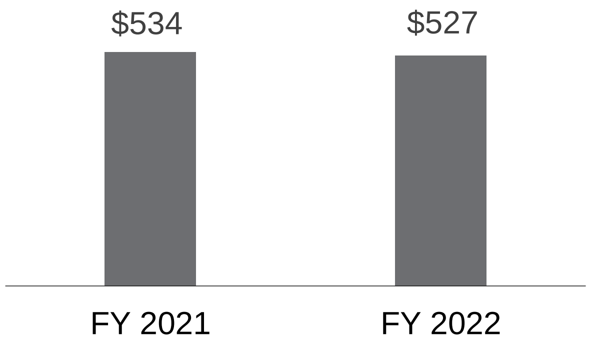
Pro Forma Revenue[1]

+5% | +9% ex. FX



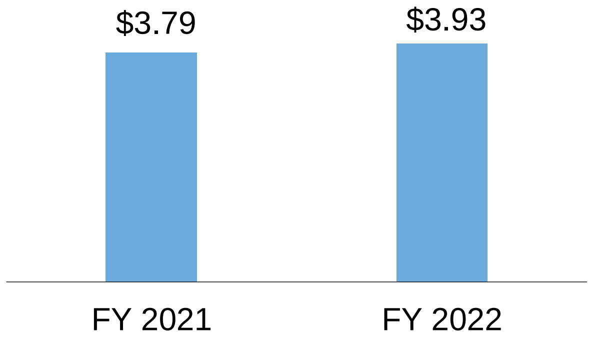
Pro Forma Adj. EBITDA[1]

-1% | +3% ex. FX



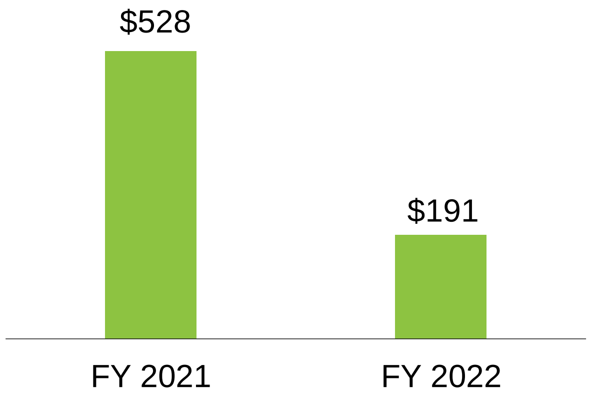
Adj. EPS[1]

+4% | +9% ex. FX



Operating Cash Flow

-64%



Portfolio Composition

	Revenue	Adj. EBITDA[1]
Advanced Process Solutions	43%	42%
Molding Technology Solutions	36%	37%
Batesville	21%	21%
Total	**100%**	**100%**

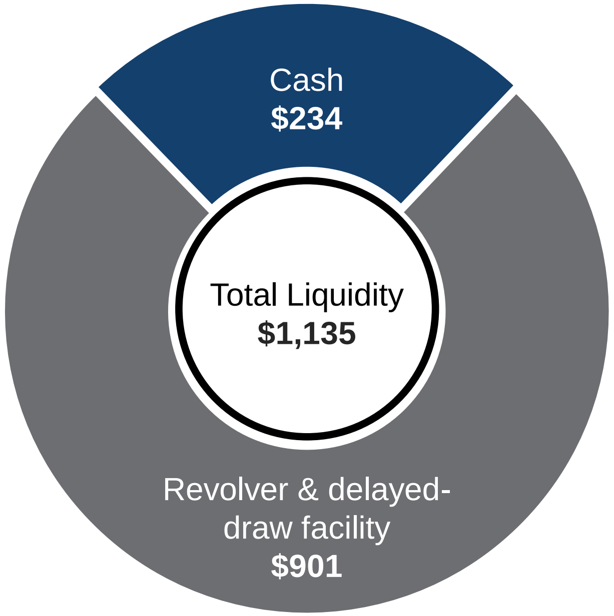
Performance Highlights

- Consolidated pro forma revenue[1] of $2.9 billion grew 5%, or 9% excluding foreign currency exchange, with industrial growth partially offset by lower volume in Batesville
- Adjusted EBITDA margin[1] of 17.9% decreased 110 basis points, primarily due to the dilutive effect of price-cost coverage and unfavorable mix
- Operating cash flow of $191M decreased $337 million, primarily due to the unfavorable timing of working capital related to large plastics projects, and an increase in inventory due to higher customer demand and supply chain disruptions; we expect FCF conversion to return to ~100% in FY 2023
- Actively monitoring the dynamic demand environment to control discretionary costs and protect margins

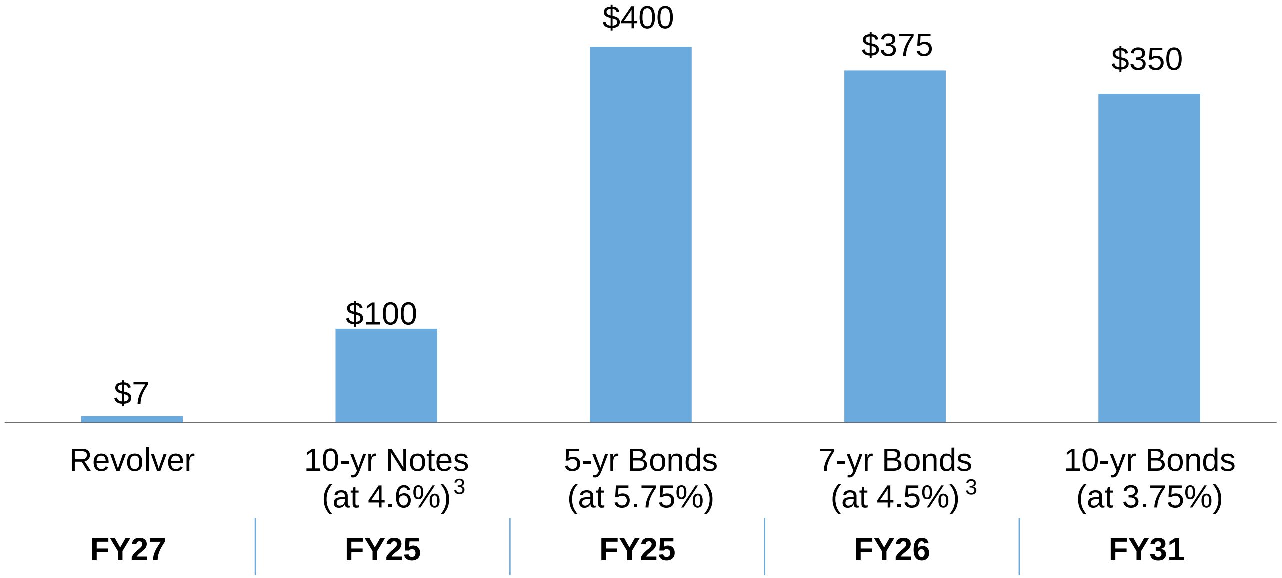
[1] Pro forma results exclude the divested Red Valve, ABEL, TerraSource Global businesses from FY 2021. Pro forma revenue, adjusted EPS, adjusted EBITDA, and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Capital Position and Liquidity

Liquidity[1] ($M)



Debt Maturity Schedule[2] ($M)

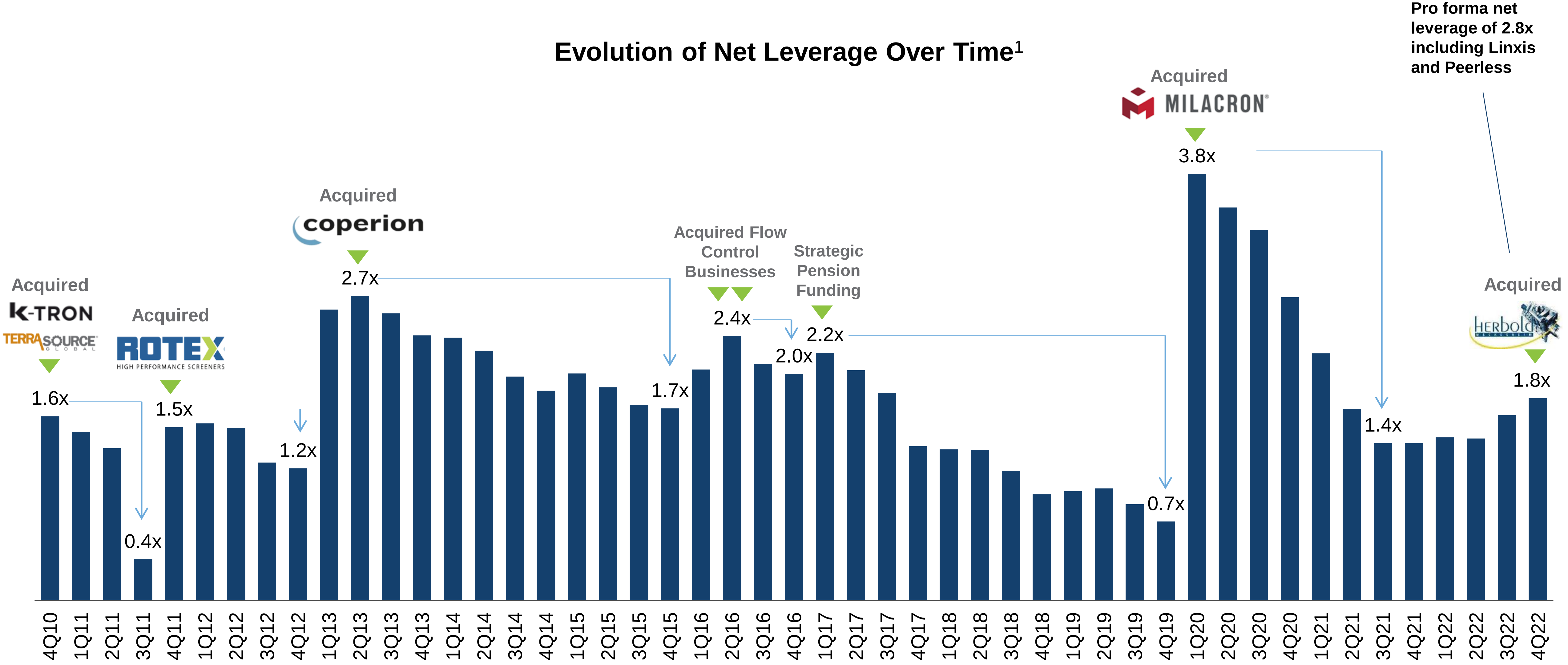


- Net debt of $988 million; net leverage of 1.8x as of September 30, 2022; pro forma net leverage of 2.8x
- Returned approximately $266M to shareholders in FY 2022 through share repurchases of $204 million, including $37M in Q4
- FY 2022 dividends paid of $62 million

[1] Cash and credit facility amounts as of 9/30/22. [2] Debt maturity schedule is shown on a fiscal year basis and reflects date of final payment due. [3] Interest rates subsequently stepped up to 5.60% (10-yr Notes) and 5.00% (7-yr Bonds).

Strong Track Record of De-leveraging Post-Transaction

Evolution of Net Leverage Over Time[1]



[1] Defined as ("Total Debt – Cash") / TTM pro forma adjusted EBITDA. Pro forma adjusted EBITDA is a non-GAAP measure. Prior periods are as previously disclosed and are available in presentations and SEC filings available on our website. See appendix for GAAP reconciliation.

Capital Deployment Priorities

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	Highlights
Reduce Debt • Current net debt of $988M[1] with a Net Debt to Adj. EBITDA of 1.8x[1] • Strong track record of paying down debt rapidly post acquisition	Including Linxis and Peerless, the Company expects pro forma net leverage to be ~2.8x; targeting to be well within guardrails of 1.7x – 2.7x by end of FY 2023
Reinvest in the Business • Drive innovation and new product development • Expand into new end markets and geographies • Improve operational efficiency through automation and digitization • Annual capex target of ~2-2.5% of revenue	Strategic investments for profitable growth and operating efficiency
Strategic Acquisitions • Strategic focus: strong brands with key technologies in attractive end markets • Disciplined approach: seek acquisitions with compelling financial returns	Completed acquisitions of Herbold Meckesheim, LINXIS Group, and Gabler; Expect to close tuck-in acquisition of Peerless before the end of CY 2022
Return Cash to Shareholders • Dividend yield of 2.4%[1] • 14 consecutive years of $0.01 per share increases to dividend • Opportunistic share repurchases	Repurchased 4.8 million shares for $204 million in FY 2022

[1] As of 9/30/22.

FY 2023 Guidance

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	Hillenbrand	Advanced Process Solutions	Molding Technology Solutions	Batesville
Revenue	**$3,275 – $3,405**	**$1,655 – $1,740**	**$1,020 – $1,055**	**$600 – $610**
Total YOY	*11% – 16%*	*31% – 37%*	*(2%) – 1%*	*(4%) – (2%)*
Acquisitions[1]	*~12% – 13%*	*~28 – 30%*	--	--
FX	*~(3%)*	*~(6%)*	*~(2%)*	--
Organic YOY[2]	*3% - 6%*	*9% - 13%*	*Flat – 3%*	*(4%) – (2%)*
Adj. EBITDA / Margin[3]	**$569 – $625**	**19.0% – 20.0%**	**20.0% – 21.0%**	**19.5% – 20.5%**
Total YOY	*8% – 18%*	*(60) – 40 bps*	*(70) – 30 bps*	*(80) – 20 bps*
		60 -100 bps Organic		
Adj. EPS[3]	**$4.10 – $4.50**			
YOY	*4% – 15%*			
Q1 Adj. EPS[3]	**$0.85 – $0.93**			

Key Guidance Assumptions

APS
- Strong backlog and healthy underlying demand
- Positive price-cost and productivity drives organic margin improvement
- Acquisition margins are dilutive in short-term

MTS
- Strong backlog, but expect order softness in 1H due to customer delays from macro uncertainty
- Positive price-cost and productivity to help mitigate volume softness and unfavorable mix from higher proportion of injection molding equipment

Batesville
- 1H volumes anticipated to be down significantly due to impact of Omicron variant in 1H FY22
- Productivity actions to help mitigate volume impact to margin
- Price-cost expected to be neutral

Overall
- Global supply chain disruptions and labor shortages continue be a challenge
- Does not assume impact from any potential zero-COVID policy shutdowns in China
- Q1 EPS down vs. PY due to MTS and Batesville volume, offsetting APS growth; acquisition contribution offset by unfavorable FX

Other FY 2023 Assumptions

~100%	~$70M	~$72M	~$55M	~$85M	~29-31%	~70M
Free Cash Flow / Adj. NI[3]	Capital Expenditures	Depreciation	Intangible Amortization	Interest Expense, Net	Adj. ETR[3]	Avg. Diluted Shares

[1] Reflects impact from Herbold, Linxis Group, and Gabler acquisitions. [2] Organic excludes the impact from foreign currency exchange, and the Herbold, Linxis Group, and Gabler acquisitions. [3] Adjusted EBITDA margin, adjusted EPS, adjusted Net Income, and adjusted ETR are non-GAAP measures. Hillenbrand does not attempt to provide reconciliations for forward-looking non-GAAP earnings guidance. See appendix for further information.

HILLENBRAND

Key Takeaways

01.

Strong backlog and solid demand outlook for APS heading into FY 2023 provides continued **confidence and stability** amid global macro uncertainty

02.

Consistent deployment of the **Hillenbrand Operating Model drives execution** during challenging economic environment

03.

Proven track record of successful integrations provides playbook to driving value from recent acquisitions

04.

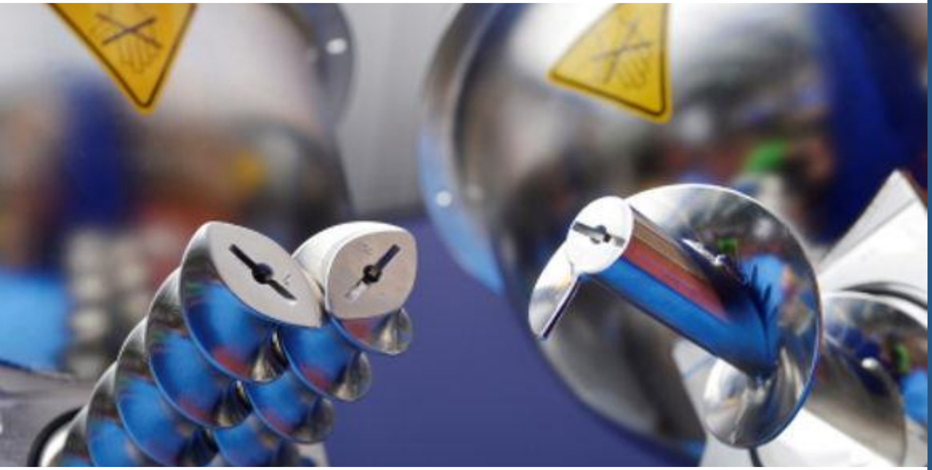
Focused on **investing for long-term growth** while **taking action** to help mitigate macro headwinds

05.

Company purpose, **Shape What Matters for Tomorrow™,** unites organization towards a stronger future for associates, customers, communities, and shareholders




Excited to Share Vision for Hillenbrand's Next Chapter of Growth at Investor Day on December 15th

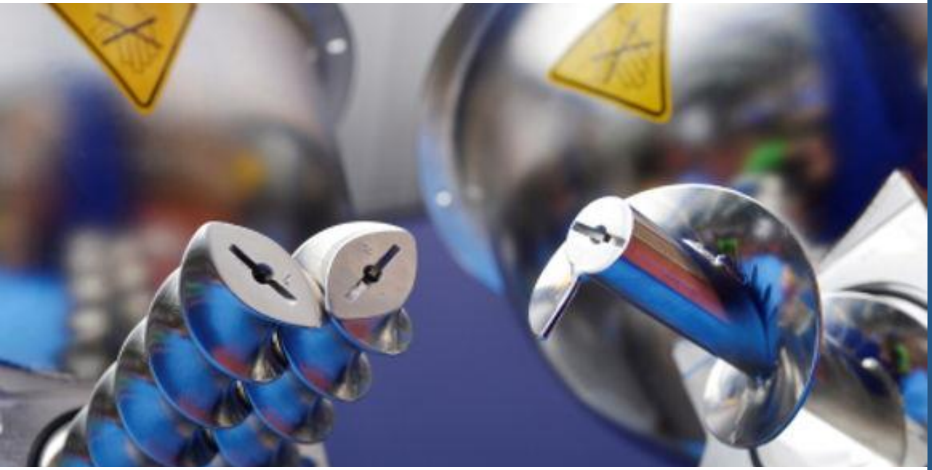

Hillenbrand

Q&A

Replay Information

HILLENBRAND

- Dial-in for US and Canada: **1-877-660-6853**
- Dial-in for International: **+1-201-612-7415**
- Conference ID: **13733078**
- Date/Time: Available until midnight ET, Thursday, December 1, 2022
- Log-on to: **http://ir.hillenbrand.com**



APPENDIX

Disclosure Regarding Non-GAAP Measures and Other Financial Information

While we report financial results in accordance with United States generally accepted accounting principles (GAAP), we also provide certain non-GAAP operating performance measures. We believe this information provides a higher degree of transparency, as further set forth in our earnings release for this quarter. These non-GAAP measures are referred to as “adjusted” measures and exclude the following items:

- business acquisition, disposition, and integration costs;
- restructuring and restructuring related charges;
- intangible asset amortization;
- certain debt financing activities;
- gains and losses on divestitures;
- other individually immaterial one-time costs;
- the related income tax impact for all of these items; and
- certain tax items related to the acquisition of Milacron and divestitures of TerraSource, ABEL, Red Valve, and Cimcool, the revaluation of deferred tax balances in connection with enacted statutory tax rate reductions in certain foreign jurisdictions, foreign income inclusion tax provisions, including the impact the Milacron loss carryforward attributes have on tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction (FDII), and the Base Erosion and Anti-Abuse Tax (BEAT).

One important non-GAAP measure Hillenbrand uses is adjusted earnings before interest, income tax, depreciation, and amortization (“adjusted EBITDA”). A part of our strategy is to pursue acquisitions that strengthen or establish leadership positions in key markets. Given that strategy, it is a natural consequence to incur related expenses, such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use adjusted EBITDA, among other measures, to monitor our business performance. We also use “adjusted net income” and “adjusted diluted earnings per share (EPS),” which are defined as net income and earnings per share, respectively, each excluding items described in connection with adjusted EBITDA. Adjusted EBITDA, adjusted net income, and adjusted diluted EPS are not recognized terms under GAAP and therefore do not purport to be alternatives to net (loss) income or to diluted EPS, as applicable. Further, Hillenbrand’s measures of adjusted EBITDA, adjusted net income, or adjusted diluted EPS may not be comparable to similarly titled measures of other companies.

Pro forma revenue and pro forma adjusted EBITDA are defined respectively as net revenue and adjusted EBITDA excluding net revenue and adjusted EBITDA directly attributable to Red Valve which was divested on December 31, 2020, ABEL which was divested on March 10, 2021, and TerraSource Global which was divested on October 22, 2021. Hillenbrand uses pro forma measures to assess performance of its reportable segments and the Company in total without the impact of recent acquisitions and divestitures.

Free cash flow (“FCF”) is defined as cash flow from operations less capital expenditures. Hillenbrand considers FCF an important indicator of the Company’s liquidity, as well as its ability to fund future growth and to provide a return to shareholders. FCF does not include deductions for debt service (repayments of principal), other borrowing activity, dividends on the Company’s common stock, repurchases of the Company’s common stock, business acquisitions, and other items.

Hillenbrand calculates the foreign currency impact on net revenue in order to better measure the comparability of results between periods. We calculate the foreign currency impact by translating current year results at prior year foreign exchange rates. This information is provided because exchange rates can distort the underlying change in sales, either positively or negatively.

In addition, forward-looking adjusted earnings per share for fiscal 2023 excludes potential charges or gains that may be recorded during the fiscal year, including among other things, expected 2023 results and other items described above in connection with other “adjusted” measures. Similarly, forward-looking return on invested capital (ROIC) includes certain adjustments that could be material in any period. Hillenbrand thus also does not attempt to provide reconciliations of forward-looking non-GAAP earnings guidance or ROIC to the comparable GAAP measure, as permitted by Item 10(e)(1)(i)(B) of Regulation S-K, because the impact and timing of these potential charges or gains or other adjustments is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of Hillenbrand’s financial performance.

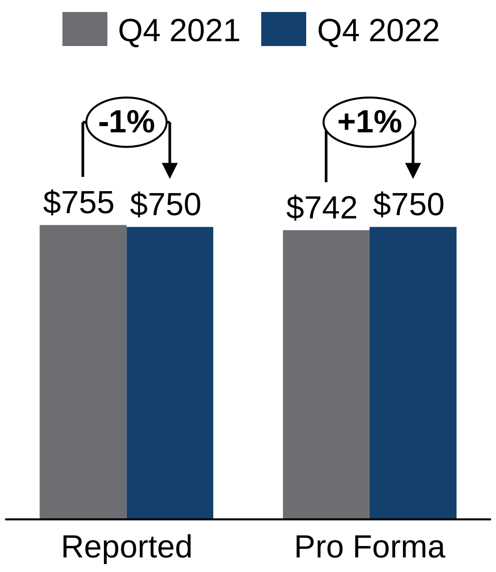
LINXIS Group and Peerless ‘22E figures are projections for LINXIS Group’s fiscal year ending December 31, 2022, based on unaudited prospective financial information prepared and provided to the Company by LINXIS Group and Peerless, respectively. LINXIS Group’s and Peerless’s actual results could differ materially from these projections. In addition, LINXIS Group’s financial statements are prepared in accordance with French GAAP, which differ in certain material respects from US GAAP. For instance, when compared to US GAAP, French GAAP (i) differs in its requirements for over time revenue recognition and (ii) consolidates only proportionally for less than 100% owned entities, which impact revenue and EBITDA as presented thereunder. French GAAP may also (1) include amortization of capitalized research and development costs rather than immediate expense recognition; (2) requires recognition of actuarial gains or losses from pension plans immediately in the period incurred; (3) have potentially different timing of EBITDA recognition of foreign currency balances for non-monetary assets and liabilities; and (4) set different requirements for sale-leaseback transactions, resulting in differences in timing of expense recognition, each of which may impact EBITDA as presented thereunder. LINXIS Group defines EBITDA as net income before interest, income tax, depreciation and amortization (in each case, determined in accordance with French GAAP). No quantitative reconciliation of these forward-looking measures is provided, as underlying factors are inherently uncertain and difficult to predict, and such a reconciliation would not be available without unreasonable efforts. In addition, the Company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors.

OTHER OPERATING MEASURES

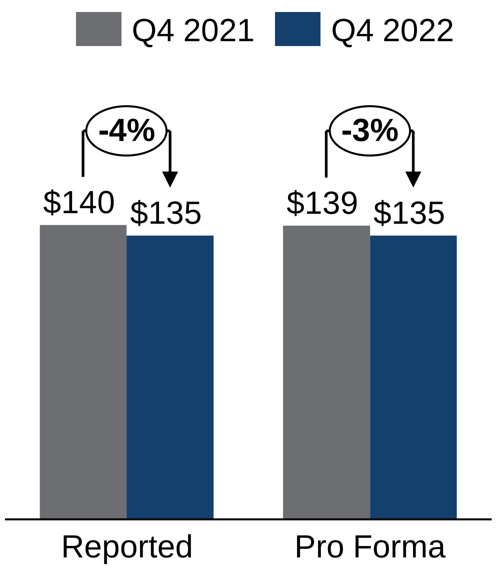
Another important operational measure used is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in industries with extended lead times for order fulfillment (long-term contracts), like those in which the Advanced Process Solutions and Molding Technology Solutions reportable operating segments compete. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to Advanced Process Solutions and Molding Technology Solutions reportable operating segments. For purposes of calculating backlog, 100% of estimated net revenue attributable to consolidated subsidiaries is included. Backlog includes expected net revenue from large systems and equipment, as well as aftermarket parts, components, and service. The length of time that projects remain in backlog can span from days for aftermarket parts or service to approximately 18 to 24 months for larger system sales within the Advanced Process Solutions reportable operating segment. The majority of the backlog within the Molding Technology Solutions reportable operating segment is expected to be fulfilled within the next twelve months. Backlog includes expected revenue from the remaining portion of firm orders not yet completed, as well as net revenue from change orders to the extent that they are reasonably expected to be realized. Hillenbrand includes in backlog the full contract award, including awards subject to further customer approvals, which we expect to result in revenue in future periods. In accordance with industry practice, Hillenbrand’s contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer. Given that backlog is an operational measure and that the Company’s methodology for calculating backlog does not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

Comparison of Reported / Pro Forma Results – Q4 ($M)

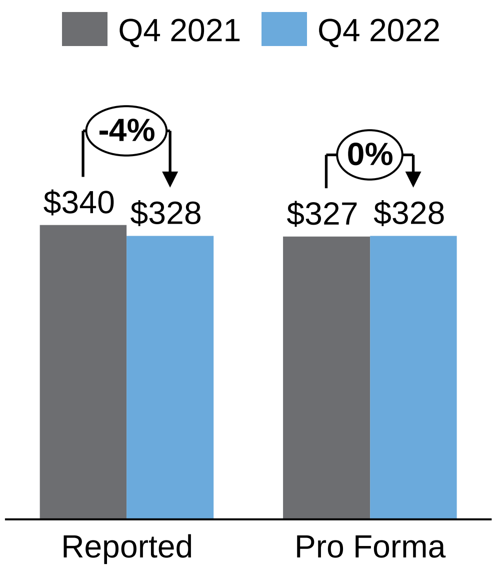
Consolidated Revenue[1]



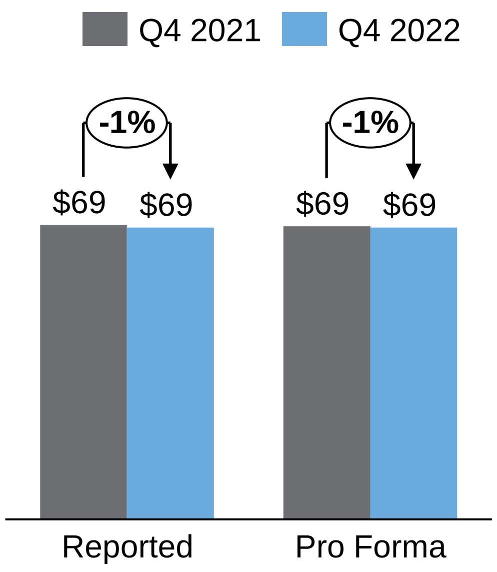
Consolidated Adj. EBITDA[1]



APS Revenue[1]



APS Adj. EBITDA[1]

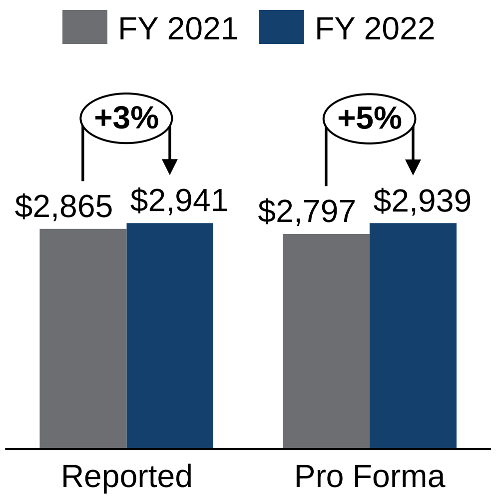


[1] Pro forma results are adjusted for the divested TerraSource Global business. Pro forma revenue and adjusted EBITDA are non-GAAP measures. See appendix for GAAP reconciliation

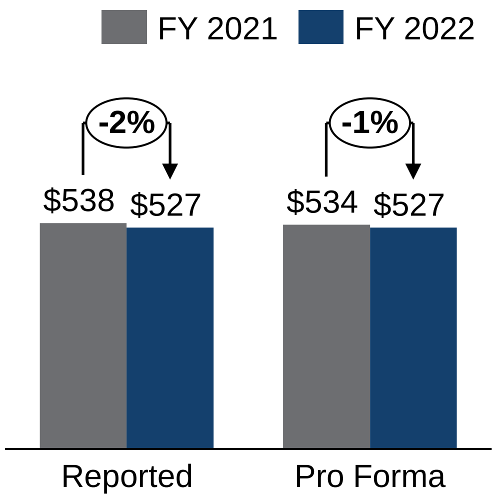
Comparison of Reported / Pro Forma Results –FY 2022 ($M)

HILLENBRAND

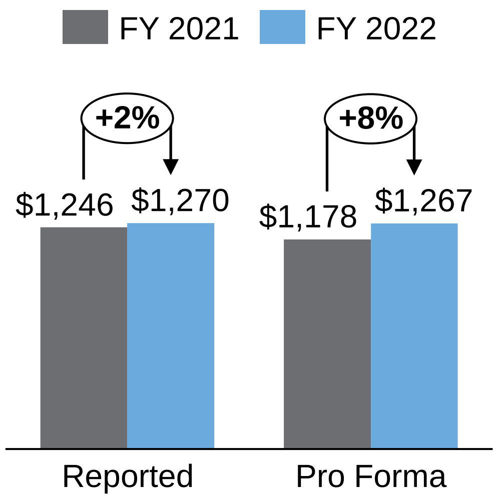
Consolidated Revenue[1]



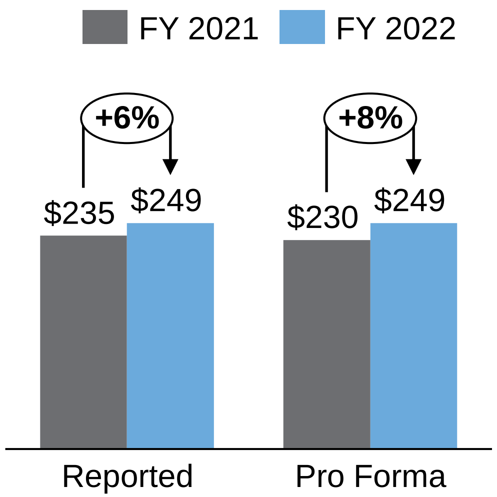
Consolidated Adj. EBITDA[1]



APS Revenue[1]



APS Adj. EBITDA[1]



[1] Pro forma results are adjusted for the divested Red Valve, ABEL, TerraSource Global businesses. Pro forma revenue and adjusted EBITDA are non-GAAP measures. See appendix for GAAP reconciliation

Reconciliation of Adjusted EBITDA to Consolidated Net Income

HILLENBRAND

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2022	Year Ended September 30, 2021
Adjusted EBITDA:				
Advanced Process Solutions	$ 68.5	$ 69.2	$ 249.1	$ 234.5
Molding Technology Solutions	59.5	53.5	216.2	201.8
Batesville	24.2	33.4	127.1	160.2
Corporate	(17.5)	(16.4)	(65.0)	(58.3)
Less:				
Interest income	(1.5)	(0.9)	(5.5)	(3.4)
Interest expense	17.1	17.9	69.8	77.6
Income tax expense	23.3	12.5	98.8	98.6
Depreciation and amortization	26.7	28.9	108.2	115.2
Impairment charges	-	11.2	-	11.2
Business acquisition, disposition, and integration costs	10.1	9.3	31.3	34.5
Restructuring and restructuring-related charges	(0.3)	4.3	3.2	14.5
(Gain) loss on divestitures	-	(1.3)	3.1	(67.1)
Other	0.1	0.8	3.3	1.9
Consolidated net income	$ 59.2	$ 57.0	$ 215.2	$ 255.2

Reconciliation of Non-GAAP Measures

HILLENBRAND

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2022	Year Ended September 30, 2021
Net income attributable to Hillenbrand	$ 56.8	$ 55.0	$ 208.9	$ 249.9
Impairment charges	-	11.2	-	11.2
Business acquisition, disposition, and integration costs	10.1	9.3	31.3	35.4
Restructuring and restructuring-related charges	(0.3)	4.3	3.2	14.5
Intangible asset amortization	13.2	13.9	54.0	55.7
(Gain) loss on divestitures	-	(1.3)	3.1	(67.1)
Debt financing activities	-	-	-	2.9
Other	0.1	0.8	3.3	1.9
Tax adjustments	0.1	(9.6)	2.1	9.6
Tax effect of adjustments	(6.3)	(9.3)	(22.3)	(28.3)
Adjusted net income attributable to Hillenbrand	$ 73.7	$ 74.3	$ 283.6	$ 285.7

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2022	Year Ended September 30, 2021
Diluted EPS	$ 0.81	$ 0.74	$ 2.89	$ 3.31
Impairment charges	-	0.15	-	0.15
Business acquisition, disposition, and integration costs	0.14	0.13	0.43	0.47
Restructuring and restructuring-related charges	-	0.05	0.05	0.19
Intangible asset amortization	0.19	0.19	0.75	0.74
(Gain) loss on divestitures	-	(0.02)	0.04	(0.89)
Debt financing activities	-	-	-	0.04
Other	-	0.02	0.04	0.03
Tax adjustments	-	(0.13)	0.03	0.13
Tax effect of adjustments	(0.09)	(0.13)	(0.30)	(0.38)
Adjusted Diluted EPS	$ 1.05	$ 1.00	$ 3.93	$ 3.79

Reconciliation of Pro Forma Adjusted EBITDA to Consolidated Net Income

HILLENBRAND

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2022	Year Ended September 30, 2021
Consolidated net income	$ 59.2	$ 57.0	$ 215.2	$ 255.2
Interest income	(1.5)	(0.9)	(5.5)	(3.4)
Interest expense	17.1	17.9	69.8	77.6
Income tax expense	23.3	12.5	98.8	98.6
Depreciation and amortization	26.7	28.9	108.2	115.2
EBITDA	124.8	115.4	486.5	543.2
Impairment charges	-	11.2	-	11.2
Business acquisition, disposition, and integration costs	10.1	9.3	31.3	34.5
Restructuring and restructuring-related charges	(0.3)	4.3	3.2	14.5
(Gain) loss on divestitures	-	(1.3)	3.1	(67.1)
Other	0.1	0.8	3.3	1.9
Adjusted EBITDA	134.7	139.7	527.4	538.2
Pro forma adjustments (see below)	-	(0.3)	-	(4.3)
Pro forma adjusted EBITDA	**$ 134.7**	**$ 139.4**	**$ 527.4**	**$ 533.9**
Pro forma adjustments:				
Less: ABEL adjusted EBITDA [(1)]	$ -	$ -	$ -	$ (3.3)
Less: Red Valve adjusted EBITDA [(2)]	-	-	-	(1.4)
Less: TerraSource adjusted EBITDA [(3)]	-	(0.3)	-	0.4
Pro forma adjustments to adjusted EBITDA	$ -	$ (0.3)	$ -	$ (4.3)
Pro forma adjusted EBITDA by segment and corporate:				
Advanced Process Solutions	$ 68.5	$ 68.9	$ 249.1	$ 230.2
Molding Technology Solutions	59.5	53.5	216.2	201.8
Batesville	24.2	33.4	127.1	160.2
Corporate	(17.5)	(16.4)	(65.0)	(58.3)
	$ 134.7	**$ 139.4**	**$ 527.4**	**$ 533.9**

(1) The ABEL business, which was included within the Advanced Process Solutions reportable operating segment, was divested on March 10, 2021.

(2) The Red Valve business, which was included within the Advanced Process Solutions reportable operating segment, was divested on December 31, 2020.

(3) The TerraSource Global business, which was included within the Advanced Process Solutions reportable operating segment, was divested on October 22, 2021.

Reconciliation of Pro Forma Revenue to Reported Revenue

HILLENBRAND

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Year Ended September 30, 2021	Year Ended September 30, 2020
Advanced Process Solutions net revenue	$ 327.8	$ 340.2	$ 1,269.8	$ 1,245.7
Less: ABEL net revenue [(1)]	-	-	-	(15.5)
Less: Red Valve net revenue [(2)]	-	-	-	(8.0)
Less: TerraSource net revenue [(3)]	-	(13.3)	(2.4)	(44.6)
Advanced Process Solutions pro forma net revenue	**327.8**	**326.9**	**1,267.4**	**1,177.6**
Molding Technology Solutions net revenue	**276.1**	**260.0**	**1,045.5**	**995.7**
Batesville net revenue	**146.0**	**154.7**	**625.6**	**623.4**
Consolidated pro forma net revenue	**$ 749.9**	**$ 741.6**	**$ 2,938.5**	**$ 2,796.7**

(1) The ABEL business, which was included within the Advanced Process Solutions reportable operating segment, was divested on March 10, 2021.

(2) The Red Valve business, which was included within the Advanced Process Solutions reportable operating segment, was divested on December 31, 2020.

(3) The TerraSource Global business, which was included within the Advanced Process Solutions reportable operating segment, was divested on October 22, 2021.

Reconciliation of Pro Forma Backlog to Reported Backlog

HILLENBRAND

(in millions)	September 30, 2022	September 30, 2021
Advanced Process Solutions backlog	$ 1,397.9	$ 1,349.4
Less: TerraSource backlog [1]	-	(36.6)
Advanced Process Solutions pro forma backlog	**1,397.9**	**1,312.8**
Molding Technology Solutions backlog	**364.1**	**365.6**
Consolidated pro forma backlog	**$ 1,762.0**	**$ 1,678.4**

(1) The TerraSource Global business, which was included within the Advanced Process Solutions reportable operating segment, was divested on October 22, 2021.

Reconciliation of Operating Cash Flow to Free Cash Flow

HILLENBRAND

(in millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Twelve Months Ended September 30, 2022	Twelve Months Ended September 30, 2021
Net cash provided by operating activities	$ 96.8	$ 85.7	$ 191.1	$ 528.4
Less:				
Capital expenditures	(17.8)	(18.2)	(50.3)	(40.0)
Free cash flow	$ 79.0	$ 67.5	$ 140.8	$ 488.4
Adjusted net income attributable to Hillenbrand	$ 73.7	$ 74.3	$ 283.6	$ 285.7
Free cash flow to net income conversion rate	107%	91%	50%	171%