

FY22 Second Quarter Earnings Call Presentation

February 8, 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 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: the duration and spread of the COVID-19 pandemic, 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, the success of preventative measures to contain or mitigate the spread of the virus and emerging variants, and the effectiveness, distribution and acceptance of COVID-19 vaccines; other economic recession; our ability to achieve all anticipated benefits of restructuring, simplification and modernization initiatives; risks related to 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 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; 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

Q2 FY22 Overview & Highlights

- **Improving end-markets & results from growth initiatives driving strong sales: 11% organic growth vs. (14)% prior year**
 - Segment YoY organic growth rates: Infrastructure 18%, Metal Cutting 7%
 - Regional YoY growth rates*: Americas 16%, EMEA 9%, AsiaPac 3%
 - YoY growth in all end-markets, except Transportation
 - Sales up 1% sequentially; in-line with normal increase, with notable strength in General Engineering, Energy & Aerospace, but weaker than anticipated Transportation end-market and lower China performance
- **Execution on initiatives driving strong operating leverage & cash flow: 16.2% adjusted EBITDA margin vs. 13.0% prior year**
 - Adjusted operating margin improved 390 bps to 9.2% from 5.3% prior year, driven by:
 - Higher volumes and associated absorption
 - Improved manufacturing benefits, including Simplification/Modernization carryover and Operational Excellence
 - Favorable net effect from price versus ~\$12M raw material headwind, and mix
 - Partially offset by ~\$10M (~230 bps) from prior-year temporary cost control actions
 - Free operating cashflow of \$22M reflecting strong operating leverage
 - Share repurchases of \$23M
- **Earnings per diluted share: Reported \$0.37; Adjusted \$0.35 (vs. \$0.16 prior year)**

* Constant Currency Regional Sales Growth

Innovation and Commercial Excellence initiatives driving share gain

Recent Customer Wins

Electric Vehicles



- ✓ Our leadership position in EV continues to gain momentum
- ✓ Secured major EV win at large Chinese automotive manufacturer

Aerospace



- ✓ Continue to win larger share of wallet with tier suppliers
- ✓ Product innovation delivers productivity to customers, driving long-term growth

Renewable Energy



- ✓ Share gain continuing in wind energy
- ✓ Technical expertise driving improvement in customer machining time

Process Industries



- ✓ Pelletizing dies for large-scale production expansion project
- ✓ Won due to our proprietary design and manufacturing technique

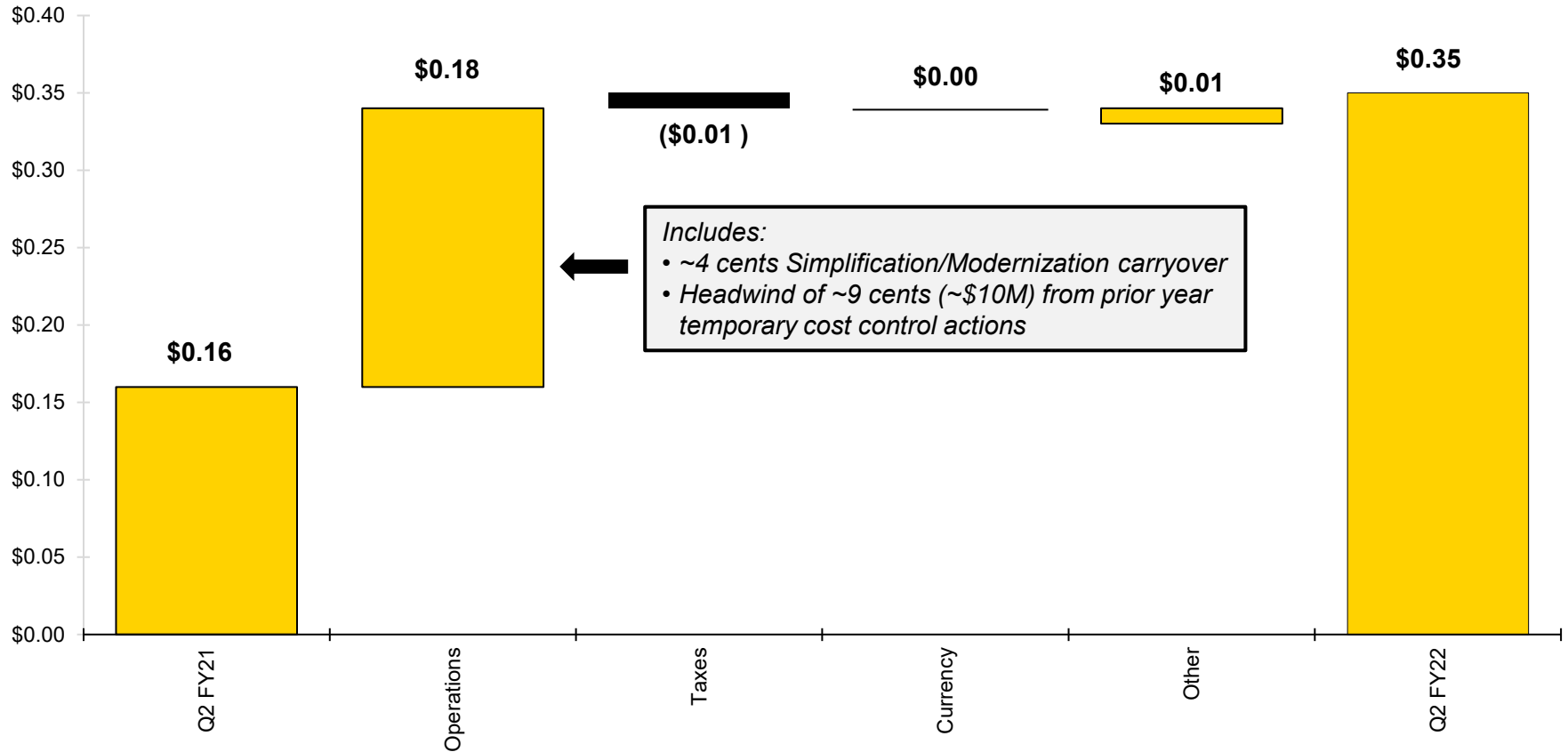
Commercial and Operational Excellence driving growth and profitability

Consolidated Q2 FY22 Financial Overview

| Quarter Ended (\$ in millions) | Change from PY | Adjusted | | Reported | |
|---|----------------|---------------|---------------|---------------|---------------|
| | | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2021 | Dec 31, 2020 |
| Sales | 10% | \$487 | \$441 | \$487 | \$441 |
| Organic | | 11% | (14)% | 11% | (14)% |
| FX | | - | 1% | - | 1% |
| Divestiture | | - | (1)% | - | (1)% |
| Business Days | | (1)% | 1% | (1)% | 1% |
| Gross Profit | 24% | \$155 | \$124 | \$153 | \$122 |
| % of sales | +360 bps | 31.8% | 28.2% | 31.4% | 27.6% |
| Operating Expense | 9% | \$107 | \$98 | \$107 | \$98 |
| % of sales | (30) bps | 21.9% | 22.2% | 21.9% | 22.2% |
| EBITDA | 37% | \$79 | \$57 | \$81 | \$53 |
| % of sales | +320 bps | 16.2% | 13.0% | 16.7% | 12.1% |
| Operating Income | 93% | \$45 | \$23 | \$48 | \$19 |
| % of sales | +390 bps | 9.2% | 5.3% | 9.8% | 4.3% |
| Effective Tax Rate | 180 bps | 26.5% | 24.7% | 25.9% | (39.0)% |
| EPS (Earnings per Diluted Share) | 120% | \$0.35 | \$0.16 | \$0.37 | \$0.23 |

Significant EPS improvement driven by strong operating leverage

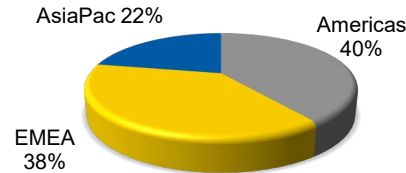
Q2 FY22 Adjusted EPS Bridge



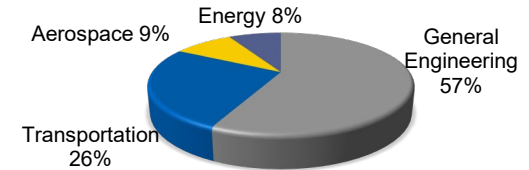
Improved margins driven by Operational Excellence and growth

Metal Cutting Business Segment Q2 FY22 Summary

Sales by Geography



Sales by End Market



Q2 FY22 sales \$299 million; organic sales up 7% YoY vs. (14)% decline in prior year quarter; sequential growth ~flat

- Regional sales trends*: Americas 11%, EMEA 8%, AsiaPac (4)%; business days effect of (1)% and no effect due to FX
- Adjusted operating margin increased significantly YoY by 270 bps to 8.8% from 6.1%
 - Driven by higher volume and associated absorption, price exceeding raw material increases, manufacturing performance and mix, partially offset by prior year temporary cost control actions

YoY growth in all end-markets except Transportation

- General Engineering YoY growth of 13%**; sequential growth of 2%; in-line with normal sequential trends
- Transportation YoY decline of (10)**%; sequential decline of (6)%; below expectations due to continuing chip issues
- Aerospace YoY increase of 24%**; strong sequential performance of 6% with sentiment remaining positive
- Energy 7%** YoY increase; sequential growth of 3%

Commercial and Operational Excellence positioning us well for profitable growth

- Growth initiatives, including fit-for-purpose, on-track and leveraging product innovation & improved customer experience
- Strong pricing actions taken, commensurate with the economic environment
- Driving productivity improvements with more benefits to come

* Constant Currency Regional Sales Growth

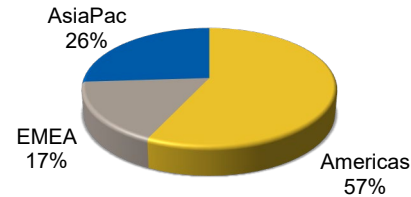
** Constant Currency End-Market Sales Growth

Note: Sequential growth at actual foreign exchange rates

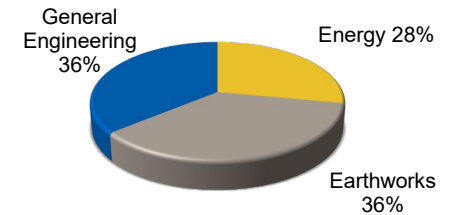
Market recovery, share gain and Operational Excellence driving improved results

Infrastructure Business Segment Q2 FY22 Summary

Sales by Geography



Sales by End Market



Q2 FY22 sales \$188 million; 18% organic sales growth vs. (14)% decline in prior year quarter; exceeded normal sequential trend

- Sales affected by 1% from FX and no effect from business days
- Regional sales growth trends*: Americas 22%, EMEA 15%, AsiaPac 14%
- Adjusted operating margin improved YoY by 570 basis points to 10.1% from 4.4%
 - Driven by higher volume and associated absorption, mix and manufacturing performance, partially offset by prior year temporary cost control actions; price versus raw material increases neutral

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

- Energy end-market increased 33%** YoY with oil & gas improving off low levels; sequential growth of 1%
 - Average US land only rig count improved 14% sequentially
- General Engineering YoY growth of 17%** , with strong improvement in all regions; sequential growth of 3%
- Earthworks up 11%** YoY driven by improvements in America and EMEA, partially offset by AsiaPac; up 1% sequentially

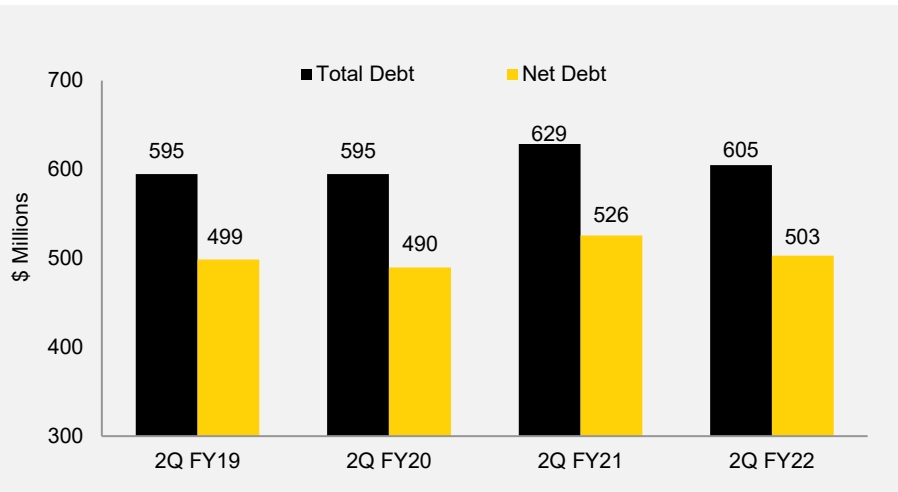
Commercial and Operational Excellence positioning us well for profitable growth

- Driving share gain across regions and end-markets; pricing actions covering inflationary pressures
- Productivity initiatives on-track and continuing to improve customer service levels

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

Note: Sequential growth at actual foreign exchange rates

Strong balance sheet and cash flow generation



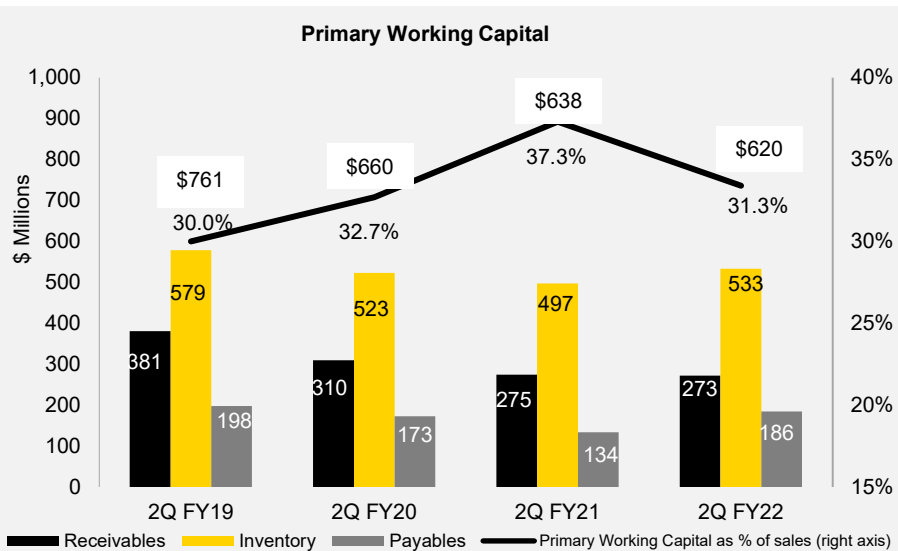
Debt Structure & Share Repurchase Program

Debt maturity profile

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

\$200M 3-year share repurchase program

- Q2: \$23M purchased; 600K shares
- Since inception: \$35M purchased; 950K shares



| Consolidated Results (\$ in millions) | 2Q FY22 | 2Q FY21 |
|---|---------|---------|
| Net Cash Provided by Operating Activities | \$42 | \$58 |
| Capital Expenditures, net | \$(20) | \$(29) |
| Free Operating Cash Flow (FOCF) | \$22 | \$29 |
| Dividends | \$(17) | \$(17) |
| Share Buyback | \$(23) | \$0 |

Q3 FY22 Outlook: YoY growth and strong operating leverage

Q3 FY22 Outlook

| | |
|------------------------------------|----------------------------------|
| Sales | \$500M - \$520M (up 3% - 7% YoY) |
| Adjusted Operating Income | ≥ \$55M (up 32% YoY) |
| Adjusted Effective Tax Rate | 26% - 28% |
| Free Operating Cash Flow | Positive |

Q3 sales outlook mid-point reflects following assumptions:

- Higher than normal sequential growth pattern:
 - Improvement in all end-markets except Transportation
 - Transportation approximately flat sequentially
- No additional material disruptions due to COVID-19
- No significant increase or improvement in supply chain disruptions
- No significant improvement in China
- No meaningful restocking activity

FY22 Outlook: Driving strong full-year operating leverage and cash flow

FY22 Full-Year Outlook

| | |
|--|---------------------------------------|
| Prior Year Temporary Cost Actions | ~\$25M headwind YoY in 1H FY22 only |
| Adjusted Effective Tax Rate | 26% - 28% (vs. 23.6% in FY21) |
| Depreciation & Amortization | ~\$135M (up ~\$10M YoY) |
| Capital Spending | \$110M - \$120M (vs. \$123M in FY21) |
| Primary Working Capital as a % of sales | Trending towards 30% by FY22 year-end |
| Free Operating Cash Flow | ~100% of adjusted net income |

Full-year outlook reflects the following assumptions:

- Higher than normal sequential growth pattern in 2H22
- Recovery in Transportation from chip shortages delayed to FY23
- No additional material disruptions due to COVID-19
- Strong full-year operating leverage (despite prior year temporary cost actions)

Leveraging modernized footprint to gain share and improve margins

Looking Ahead: Foundation in place for outperformance

Broad improvement in most end-markets supports positive outlook

- Higher than normal quarterly sales trends expected to continue in Q3 and Q4, despite market uncertainties
- Chip issue expected to continue, but not worsen, in the Transportation end-market through this fiscal year

Commercial Excellence initiatives driving share gain

- Wins highlighted this quarter in electric vehicles, aerospace, renewable energy & process industries
- Expanding Fit-for-Purpose offering across both new and existing customers
- Strengthening leadership position in electric vehicle applications
- Continuing advancement in product innovation and improving customer service
- Pricing to protect against inflationary pressures

Operational Excellence initiatives driving growth and higher margins

- In-region/for-region strategy helping reduce the effects from supply chain constraints
- Ongoing benefits from operationalizing modernization investment

Appendix



Adjusted Segment Results

| Quarter ended (\$ in millions) | December 31, 2021 | | | December 31, 2020 | | |
|---|-------------------|----------------|--------------|-------------------|----------------|--------------|
| | Metal Cutting | Infrastructure | Total | Metal Cutting | Infrastructure | Total |
| Sales | \$299 | \$188 | \$487 | \$283 | \$158 | \$441 |
| Organic | 7% | 18% | 11% | (14)% | (14)% | (14)% |
| FX | - | 1% | - | 1% | 1% | 1% |
| Business Days | (1)% | - | (1)% | - | 1% | 1% |
| Divestiture | - | - | - | - | (1)% | (1)% |
| Constant Currency Regional Growth: | | | | | | |
| Americas | 11% | 22% | 16% | (20)% | (18)% | (19)% |
| EMEA | 8% | 15% | 9% | (12)% | (12)% | (12)% |
| AsiaPac | (4)% | 14% | 3% | (6)% | 1% | (3)% |
| Constant Currency End-market Growth: | | | | | | |
| Energy | 7% | 33% | 24% | (18)% | (24)% | (22)% |
| General Engineering | 13% | 17% | 14% | (12)% | (7)% | (10)% |
| Transportation | (10)% | n/a | (10)% | (4)% | n/a | (4)% |
| Aerospace | 24% | n/a | 24% | (43)% | n/a | (43)% |
| Earthworks | n/a | 11% | 11% | n/a | (10)% | (10)% |
| Adjusted Operating Income | \$26 | \$19 | \$45 | \$17 | \$7 | \$23 |
| Adjusted Operating Margin | 8.8% | 10.1% | 9.2% | 6.1% | 4.4% | 5.3% |

Balance Sheet

| ASSETS (<i>\$ in millions</i>) | December 2021 | June 2021 |
|---|----------------------|------------------|
| Cash and cash equivalents | \$102 | \$154 |
| Accounts receivable, net | 272 | 303 |
| Inventories | 533 | 476 |
| Other current assets | 77 | 72 |
| Total current assets | \$984 | \$1,005 |
| Property, plant and equipment, net | 1,023 | 1,055 |
| Goodwill and other intangible assets, net | 386 | 398 |
| Other assets | 218 | 208 |
| Total assets | \$2,611 | \$2,666 |
| LIABILITIES (<i>\$ in millions</i>) | | |
| Revolving and other lines of credit and notes payable | \$12 | \$8 |
| Accounts payable | 186 | 178 |
| Other current liabilities | 213 | 251 |
| Total current liabilities | \$411 | \$437 |
| Long-term debt | 593 | 592 |
| Other liabilities | 250 | 269 |
| Total liabilities | \$1,254 | \$1,298 |
| Kennametal Shareowners' Equity | 1,316 | 1,329 |
| Noncontrolling interests | 41 | 39 |
| Total liabilities and equity | \$2,611 | \$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 |
|--|----------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| Q2 FY22 Reported Results | \$ 486.7 | \$ 153.0 | \$ 106.7 | \$ 47.5 | \$ 31.4 | \$ 0.37 | 25.9 % |
| Reported Margins | | 31.4 % | 21.9 % | 9.8 % | | | |
| Net benefit from reversal of restructuring and related charges | - | 1.7 | - | (1.7) | (1.8) | (0.02) | (7.4)% |
| Gain on New Castle divestiture | - | - | - | (1.0) | (0.8) | (0.01) | 21.0 % |
| Differences in projected annual tax rates | - | - | - | - | 0.4 | 0.01 | (13.0)% |
| Q2 FY22 Adjusted Results | \$ 486.7 | \$ 154.7 | \$ 106.7 | \$ 44.8 | \$ 29.2 | \$ 0.35 | 26.5 % |
| Q2 FY 22 Adjusted Margins | | 31.8 % | 21.9 % | 9.2 % | | | |

⁽⁵⁾ Attributable to Kennametal Shareholders

| (\$ in millions, except percents and per share data) | Sales | Gross Profit | Operating Expense | Operating Income | Net Income ⁽⁵⁾ | Diluted EPS | Effective Tax Rate |
|--|----------|--------------|-------------------|------------------|---------------------------|-------------|--------------------|
| Q2 FY21 Reported Results | \$ 440.5 | \$ 121.5 | \$ 97.8 | \$ 19.0 | \$ 19.4 | \$ 0.23 | (39.0)% |
| Reported Margins | | 27.6 % | 22.2 % | 4.3 % | | | |
| Restructuring and related charges | - | 2.8 | - | 4.2 | 3.5 | 0.04 | 17.3 % |
| Differences in projected annual tax rates | - | - | - | - | (9.6) | (0.11) | 46.4 % |
| Q2 FY21 Adjusted Results | \$ 440.5 | \$ 124.4 | \$ 97.8 | \$ 23.3 | \$ 13.3 | \$ 0.16 | 24.7 % |
| Q2 FY21 Adjusted Margins | | 28.2 % | 22.2 % | 5.3 % | | | |

Non-GAAP Reconciliations (cont'd)

| (\$ in millions) | Three months ended December 31, | |
|--|---------------------------------|----------------|
| | 2021 | 2020 |
| Net income attributable to Kennametal, reported | \$ 31.4 | \$ 19.4 |
| Add back: | | |
| Interest expense | 6.5 | 8.3 |
| Interest income | (0.2) | (0.1) |
| Provision for (benefit from) income taxes, reported | 11.5 | (5.7) |
| Depreciation | 29.1 | 27.9 |
| Amortization | 3.3 | 3.3 |
| EBITDA | \$ 81.5 | \$ 53.1 |
| Margin | 16.7 % | 12.1 % |
| Adjustments: | | |
| Net benefit from reversal of restructuring and related charges | (1.7) | 4.2 |
| Gain on New Castle divestiture | (1.0) | - |
| Adjusted EBITDA | \$ 78.8 | \$ 57.3 |
| Adjusted Margin | 16.2 % | 13.0 % |

Non-GAAP Reconciliations (cont'd)

| (\$ in millions, except percents) | Metal Cutting Sales | Metal Cutting Operating Income | Infrastructure Sales | Infrastructure Operating Income |
|--|------------------------|--------------------------------------|-------------------------|---------------------------------------|
| Q2 FY22 Reported Results | \$ 298.6 | \$ 27.9 | \$ 188.1 | \$ 20.0 |
| Reported Operating Margin | | 9.3 % | | 10.6 % |
| Net benefit from reversal of restructuring and related charges | - | (1.7) | - | - |
| Gain on New Castle divestiture | - | - | - | (1,001) |
| Q2 FY22 Adjusted Results | \$ 298.6 | \$ 26.2 | \$ 188.1 | \$ 19.0 |
| Q2 FY22 Adjusted Operating Margin | | 8.8 % | | 10.1 % |

| (\$ in millions, except percents) | Metal Cutting Sales | Metal Cutting Operating Income | Infrastructure Sales | Infrastructure Operating Income |
|-----------------------------------|------------------------|--------------------------------------|-------------------------|---------------------------------------|
| Q2 FY21 Reported Results | \$ 282.9 | \$ 13.7 | \$ 157.6 | \$ 6.3 |
| Reported Operating Margin | | 4.8 % | | 4.0 % |
| Restructuring and related charges | - | 3.5 | - | 0.7 |
| Q2 FY21 Adjusted Results | \$ 282.9 | \$ 17.2 | \$ 157.6 | \$ 7.0 |
| Q2 FY21 Adjusted Operating Margin | | 6.1 % | | 4.4 % |

Non-GAAP Reconciliations (cont'd)

| Three Months Ended December 31, 2021 | Metal Cutting | Infrastructure | Kennametal |
|---|----------------------|-----------------------|-------------------|
| Organic sales growth | 7% | 18% | 11% |
| Foreign currency exchange effect | 0% | 1% | 0% |
| Business days effect | (1)% | 0% | (1)% |
| Sales growth | 6% | 19% | 10% |

| Three Months Ended December 31, 2020 | Metal Cutting | Infrastructure | Kennametal |
|---|----------------------|-----------------------|-------------------|
| Organic sales decline | (14)% | (14)% | (14)% |
| Foreign currency exchange effect | 1% | 1% | 1% |
| Business days effect | 0% | 1% | 1% |
| Divestiture effect | 0% | (1)% | (1)% |
| Sales decline | (13)% | (13)% | (13)% |

Non-GAAP Reconciliations (cont'd)

Metal Cutting

| Three Months Ended December 31, 2021 | Americas | EMEA | Asia Pacific |
|---|----------|------|--------------|
| Constant currency regional sales growth (decline) | 11 % | 8 % | (4)% |
| Foreign currency exchange effect | 0% | (3)% | 1 % |
| Regional sales growth (decline) | 11 % | 5 % | (3)% |

Infrastructure

| Three Months Ended December 31, 2021 | Americas | EMEA | Asia Pacific |
|---|----------|------|--------------|
| Constant currency regional sales growth | 22 % | 15 % | 14 % |
| Foreign currency exchange effect | 0% | 0% | 3 % |
| Regional sales growth | 22 % | 15 % | 17 % |

Kennametal

| Three Months Ended December 31, 2021 | Americas | EMEA | Asia Pacific |
|---|----------|------|--------------|
| Constant currency regional sales growth | 16 % | 9 % | 3 % |
| Foreign currency exchange effect | 0% | (2)% | 1 % |
| Regional sales growth | 16 % | 7 % | 4 % |

Non-GAAP Reconciliations (cont'd)

Metal Cutting

| Three Months Ended December 31, 2020 | Americas | EMEA | Asia Pacific |
|--|----------|-------|--------------|
| Constant currency regional sales decline | (20)% | (12)% | (6)% |
| Foreign currency exchange effect | (1)% | 3 % | 3 % |
| Regional sales decline | (21)% | (9)% | (3)% |

Infrastructure

| Three Months Ended December 31, 2020 | Americas | EMEA | Asia Pacific |
|---|----------|-------|--------------|
| Constant currency regional sales growth (decline) | (18)% | (12)% | 1 % |
| Foreign currency exchange effect | 0% | 2 % | 4 % |
| Divestiture effect | (3)% | 0% | 0% |
| Regional sales growth (decline) | (21)% | (10)% | 5 % |

Kennametal

| Three Months Ended December 31, 2020 | Americas | EMEA | Asia Pacific |
|--|----------|-------|--------------|
| Constant currency regional sales decline | (19)% | (12)% | (3)% |
| Foreign currency exchange effect | (1)% | 3 % | 3 % |
| Divestiture effect | (1)% | 0% | 0% |
| Regional sales decline | (21)% | (9)% | 0% |

Non-GAAP Reconciliations (cont'd)

Metal Cutting

| Three Months Ended December 31, 2021 | General | | | |
|---|-------------|----------------|-----------|--------|
| | Engineering | Transportation | Aerospace | Energy |
| Constant currency end market sales growth (decline) | 13 % | (10)% | 24 % | 7 % |
| Foreign currency exchange effect | (1)% | (1)% | 0% | 0% |
| End market sales growth (decline) | 12 % | (11)% | 24 % | 7 % |

Infrastructure

| Three Months Ended December 31, 2021 | General | | |
|---|---------|------------|-------------|
| | Energy | Earthworks | Engineering |
| Constant currency end market sales growth | 33 % | 11 % | 17 % |
| Foreign currency exchange effect | 0% | 1 % | 0% |
| End market sales growth | 33 % | 12 % | 17 % |

Kennametal

| Three Months Ended December 31, 2021 | General | | | | |
|---|---------|------------|-------------|----------------|-----------|
| | Energy | Earthworks | Engineering | Transportation | Aerospace |
| Constant currency end market sales growth (decline) | 24 % | 11 % | 14 % | (10)% | 24 % |
| Foreign currency exchange effect | 0% | 1 % | 0% | (1)% | 0% |
| End market sales growth (decline) | 24 % | 12 % | 14 % | (11)% | 24 % |

Non-GAAP Reconciliations (cont'd)

Metal Cutting

| Three Months Ended December 31, 2020 | General Engineering | Transportation | Aerospace | Energy |
|---|--------------------------------|-----------------------|------------------|---------------|
| Constant currency end market sales decline | (12)% | (4)% | (43)% | (18)% |
| Foreign currency exchange effect | 1 % | 1 % | 1 % | 2 % |
| End market sales decline | (11)% | (3)% | (42)% | (16)% |

Infrastructure

| Three Months Ended December 31, 2020 | Energy | Earthworks | General Engineering |
|---|---------------|-------------------|--------------------------------|
| Constant currency end market sales decline | (24)% | (10)% | (7)% |
| Foreign currency exchange effect | 1 % | 1 % | 2 % |
| Divestiture effect | 0% | 0% | (4)% |
| End market sales decline | (23)% | (9)% | (9)% |

Kennametal

| Three Months Ended December 31, 2020 | Energy | Earthworks | General Engineering | Transportation | Aerospace |
|---|---------------|-------------------|--------------------------------|-----------------------|------------------|
| Constant currency end market sales decline | (22)% | (10)% | (10)% | (4)% | (43)% |
| Foreign currency exchange effect | 2 % | 1 % | 1 % | 1 % | 1 % |
| Divestiture effect | 0% | 0% | (1)% | 0% | 0% |
| End market sales decline | (20)% | (9)% | (10)% | (3)% | (42)% |

Non-GAAP Reconciliations (cont'd)

| Net Debt (in millions) | Three months ended | | | |
|---|---------------------------|-------------------|-------------------|-------------------|
| | 12/31/2021 | 12/31/2020 | 12/31/2019 | 12/31/2018 |
| Total debt (gross) | \$ 605.0 | \$ 628.7 | \$ 595.3 | \$ 595.1 |
| Less: cash and cash equivalents | 101.8 | 103.2 | 105.2 | 96.3 |
| Net debt | \$ 503.2 | \$ 525.5 | \$ 490.1 | \$ 498.8 |

| (in millions) | Three Months Ended December 31, | |
|--|--|-------------|
| | 2021 | 2020 |
| Net cash flow provided by operating activities | \$ 42.0 | \$ 57.7 |
| Purchases of property, plant and equipment | (19.9) | (29.3) |
| Proceeds from disposals of property, plant and equipment | 0.2 | 0.6 |
| Free operating cash flow | \$ 22.3 | \$ 29.0 |

Non-GAAP Reconciliations (cont'd)

| (in thousands, except percents) | 12/31/2021 | 9/30/2021 | 6/30/2021 | 3/31/2021 | 12/31/2020 | Average |
|--|------------|-------------------|---------------------------|------------------|------------------|--------------|
| Current assets | \$ 984,201 | \$ 966,948 | \$ 1,004,807 | \$ 966,916 | \$ 948,686 | |
| Current liabilities | 410,983 | 389,223 | 437,394 | 425,553 | 402,641 | |
| Working capital, GAAP | \$ 573,218 | \$ 577,725 | \$ 567,413 | \$ 541,363 | \$ 546,045 | |
| Excluding items: | | | | | | |
| Cash and cash equivalents | (101,799) | (107,316) | (154,047) | (114,307) | (103,188) | |
| Other current assets | (76,794) | (74,906) | (71,470) | (73,235) | (73,123) | |
| Total excluded current assets | (178,593) | (182,222) | (225,517) | (187,542) | (176,311) | |
| Adjusted current assets | 805,608 | 784,726 | 779,290 | 779,374 | 772,375 | |
| Revolving and other lines of credit and notes payable to banks | (12,228) | (368) | (8,365) | (18,745) | (34,979) | |
| Other current liabilities | (212,898) | (211,778) | (251,370) | (242,327) | (233,509) | |
| Total excluded current liabilities | (225,126) | (212,146) | (259,735) | (261,072) | (268,488) | |
| Adjusted current liabilities | 185,857 | 177,077 | 177,659 | 164,481 | 134,153 | |
| Primary working capital | \$ 619,751 | \$ 607,649 | \$ 601,631 | \$ 614,893 | \$ 638,222 | \$ 616,429 |
| | | | Three Months Ended | | | |
| | | 12/30/2021 | 9/30/2021 | 6/30/2021 | 3/31/2021 | Total |
| Sales | | \$ 486,673 | \$ 483,509 | \$ 515,971 | \$ 484,658 | \$ 1,970,811 |
| Primary working capital as a percentage of sales | | | | | | 31.3 % |

Non-GAAP Reconciliations (cont'd)

| (in thousands, except percents) | 12/31/2020 | 9/30/2020 | 6/30/2020 | 3/31/2020 | 12/31/2019 | Average | |
|--|------------|------------|---------------------------|------------------|------------------|------------------|--------------|
| Current assets | \$ 948,686 | \$ 935,721 | \$ 1,440,812 | \$ 966,723 | \$ 1,035,912 | | |
| Current liabilities | 402,641 | 415,573 | 898,080 | 383,131 | 409,110 | | |
| Working capital, GAAP | \$ 546,045 | \$ 520,148 | \$ 542,732 | \$ 583,592 | \$ 626,802 | | |
| Excluding items: | | | | | | | |
| Cash and cash equivalents | (103,188) | (98,290) | (606,684) | (85,230) | (105,210) | | |
| Other current assets | (73,123) | (78,700) | (73,698) | (60,550) | (97,824) | | |
| Total excluded current assets | (176,311) | (176,990) | (680,382) | (145,780) | (203,034) | | |
| Adjusted current assets | 772,375 | 758,731 | 760,430 | 820,943 | 832,878 | | |
| Current maturities of long-term debt and capital leases, including notes payable | (34,979) | (46,458) | (500,368) | (4,500) | (2,102) | | |
| Other current liabilities | (233,509) | (233,039) | (233,071) | (213,569) | (233,848) | | |
| Total excluded current liabilities | (268,488) | (279,497) | (733,439) | (218,069) | (235,950) | | |
| Adjusted current liabilities | 134,153 | 136,076 | 164,641 | 165,062 | 173,160 | | |
| Primary working capital | \$ 638,222 | \$ 622,655 | \$ 595,789 | \$ 655,881 | \$ 659,718 | \$ 634,453 | |
| | | | Three Months Ended | | | | |
| | | | 12/31/2020 | 9/30/2020 | 6/30/2020 | 3/31/2020 | Total |
| Sales | | | \$ 440,507 | \$ 400,305 | \$ 379,053 | \$ 483,084 | \$ 1,702,949 |
| Primary working capital as a percentage of sales | | | | | | | 37.3 % |

Non-GAAP Reconciliations (cont'd)

| (in thousands, except percents) | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | Average |
|--|---------------------------|--------------|--------------|--------------|--------------|------------|
| Current assets | \$ 1,035,912 | \$ 1,065,389 | \$ 1,190,827 | \$ 1,162,842 | \$ 1,119,034 | |
| Current liabilities | 409,110 | 418,719 | 461,726 | 430,018 | 412,053 | |
| Working capital, GAAP | \$ 626,802 | \$ 646,670 | \$ 729,101 | \$ 732,824 | \$ 706,981 | |
| Excluding items: | | | | | | |
| Cash and cash equivalents | (105,210) | (113,522) | (182,015) | (112,597) | (96,276) | |
| Other current assets | (97,824) | (67,106) | (57,381) | (58,221) | (63,509) | |
| Total excluded current assets | (203,034) | (180,628) | (239,396) | (170,818) | (159,785) | |
| Adjusted current assets | 832,878 | 884,761 | 951,431 | 992,024 | 959,249 | |
| Current maturities of long-term debt and capital leases, including notes payable | (2,102) | (3,528) | (157) | - | (3,371) | |
| Other current liabilities | (233,848) | (216,517) | (248,661) | (224,949) | (210,332) | |
| Total excluded current liabilities | (235,950) | (220,045) | (248,818) | (224,949) | (213,703) | |
| Adjusted current liabilities | 173,160 | 198,674 | 212,908 | 205,069 | 198,350 | |
| Primary working capital | \$ 659,718 | \$ 686,087 | \$ 738,523 | \$ 786,955 | \$ 760,899 | \$ 726,436 |
| | Three Months Ended | | | | | |
| | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | Total | |
| Sales | \$ 505,080 | \$ 518,088 | \$ 603,949 | \$ 597,204 | \$ 2,224,321 | |
| Primary working capital as a percentage of sales | | | | | | 32.7 % |

Non-GAAP Reconciliations (cont'd)

| (in thousands, except percents) | 12/31/2018 | 9/30/2018 | 6/30/2018 | 3/31/2018 | 12/31/2017 | Average | |
|--|-------------------|------------------|---------------------------|------------------|-------------------|------------------|--------------|
| Current assets | \$ 1,119,034 | \$ 1,121,482 | \$ 1,546,166 | \$ 1,240,587 | \$ 1,128,382 | | |
| Current liabilities | 412,053 | 439,171 | 886,531 | 477,790 | 407,621 | | |
| Working capital, GAAP | \$ 706,981 | \$ 682,311 | \$ 659,635 | \$ 762,797 | \$ 720,761 | | |
| Excluding items: | | | | | | | |
| Cash and cash equivalents | (96,276) | (102,084) | (556,153) | (221,906) | (159,940) | | |
| Other current assets | (63,509) | (63,461) | (63,257) | (70,926) | (68,057) | | |
| Total excluded current assets | (159,785) | (165,545) | (619,410) | (292,832) | (227,997) | | |
| Adjusted current assets | 959,249 | 955,937 | 926,756 | 947,755 | 900,385 | | |
| Current maturities of long-term debt and capital leases, including notes payable | (3,371) | (756) | (400,200) | (1,399) | (1,360) | | |
| Other current liabilities | (210,332) | (217,528) | (264,428) | (256,186) | (215,669) | | |
| Total excluded current liabilities | (213,703) | (218,284) | (664,628) | (257,585) | (217,029) | | |
| Adjusted current liabilities | 198,350 | 220,887 | 221,903 | 220,205 | 190,592 | | |
| Primary working capital | \$ 760,899 | \$ 735,050 | \$ 704,853 | \$ 727,550 | \$ 709,793 | \$ 727,629 | |
| | | | Three Months Ended | | | | |
| | | | 12/31/2018 | 9/30/2018 | 6/30/2018 | 3/31/2018 | Total |
| Sales | | | \$ 587,394 | \$ 586,687 | \$ 646,119 | \$ 607,936 | \$ 2,428,136 |
| Primary working capital as a percentage of sales | | | | | | | 30.0 % |