

October 22, 2026

CARPENTER TECHNOLOGY CORPORATION

1st Quarter Fiscal Year 2027
Earnings Call



Cautionary Statement

Forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among other things, statements regarding guidance, outlook, targets, objectives, future operating performance, cash generation, capital allocation, market conditions and strategic initiatives. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected, anticipated, expected or implied. The most significant of these uncertainties are described in Carpenter Technology's filings with the Securities and Exchange Commission, including its report on Form 10-K for the fiscal year ended June 30, 2026, and the exhibits attached to that filing. They include but are not limited to: (1) the cyclical nature of the specialty materials business and certain end-use markets, including aerospace, defense, medical, energy, transportation, industrial and consumer, or other influences on Carpenter Technology's business such as new competitors, the consolidation of competitors, customers, and suppliers or the transfer of manufacturing capacity from the United States to foreign countries; (2) the ability of Carpenter Technology to achieve cash generation, growth, earnings, profitability, operating income, cost savings and reductions, qualifications, productivity improvements or process changes; (3) the ability to recoup increases in the cost of energy, raw materials, freight or other factors; (4) domestic and foreign excess manufacturing capacity for certain metals; (5) fluctuations in currency exchange and interest rates; (6) the effect of government trade actions, including tariffs; (7) the valuation of the assets and liabilities in Carpenter Technology's pension trusts and the accounting for pension plans; (8) possible labor disputes or work stoppages; (9) the potential that our customers may substitute alternate materials or adopt different manufacturing practices that replace or limit the suitability of our products; (10) the ability to successfully acquire and integrate acquisitions; (11) the availability of credit facilities to Carpenter Technology, its customers or other members of the supply chain; (12) the ability to obtain energy or raw materials, especially from suppliers located in countries that may be subject to unstable political or economic conditions; (13) Carpenter Technology's manufacturing processes are dependent upon highly specialized equipment located primarily in facilities in Reading and Latrobe, Pennsylvania and Athens, Alabama for which there may be limited alternatives if there are significant equipment failures or a catastrophic event; (14) the ability to hire and retain a qualified workforce and key personnel, including members of the executive management team, management, metallurgists and other skilled personnel; (15) fluctuations in oil and gas prices and production; (16) the impact of potential cybersecurity incidents, ransomware attacks, malicious AI usage, operational technology disruptions, information technology failures, data security breaches and failures of third-party technology service providers; (17) the ability of suppliers, logistics providers and other supply-chain participants to meet obligations due to capacity constraints, transportation disruptions, energy shortages, geopolitical events, labor shortages or other factors; (18) the ability to meet increased demand, production targets or commitments; (19) the ability to manage the impacts of natural disasters, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; (20) geopolitical, economic, regulatory and security risks relating to our global business, including international conflicts, military actions, diplomatic tensions, trade restrictions, sanctions, disruptions to transportation corridors and shipping routes and changes in U.S. and foreign trade, tax and regulatory requirements; (21) challenges affecting the commercial aviation industry or key participants; (22) the consequences of the announcement, maintenance or use of Carpenter Technology's share repurchase program; and (23) the ability to successfully execute major capital projects and brownfield expansion initiatives, including achieving expected costs, schedules, capacity additions, productivity improvements and returns on investment. Any of these factors could have an adverse and/or fluctuating effect on Carpenter Technology's results of operations. The forward-looking statements in this document are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation or as of the dates otherwise indicated in such forward-looking statements. Carpenter Technology undertakes no obligation to update or revise any forward-looking statements.

Non-GAAP and other financial measures

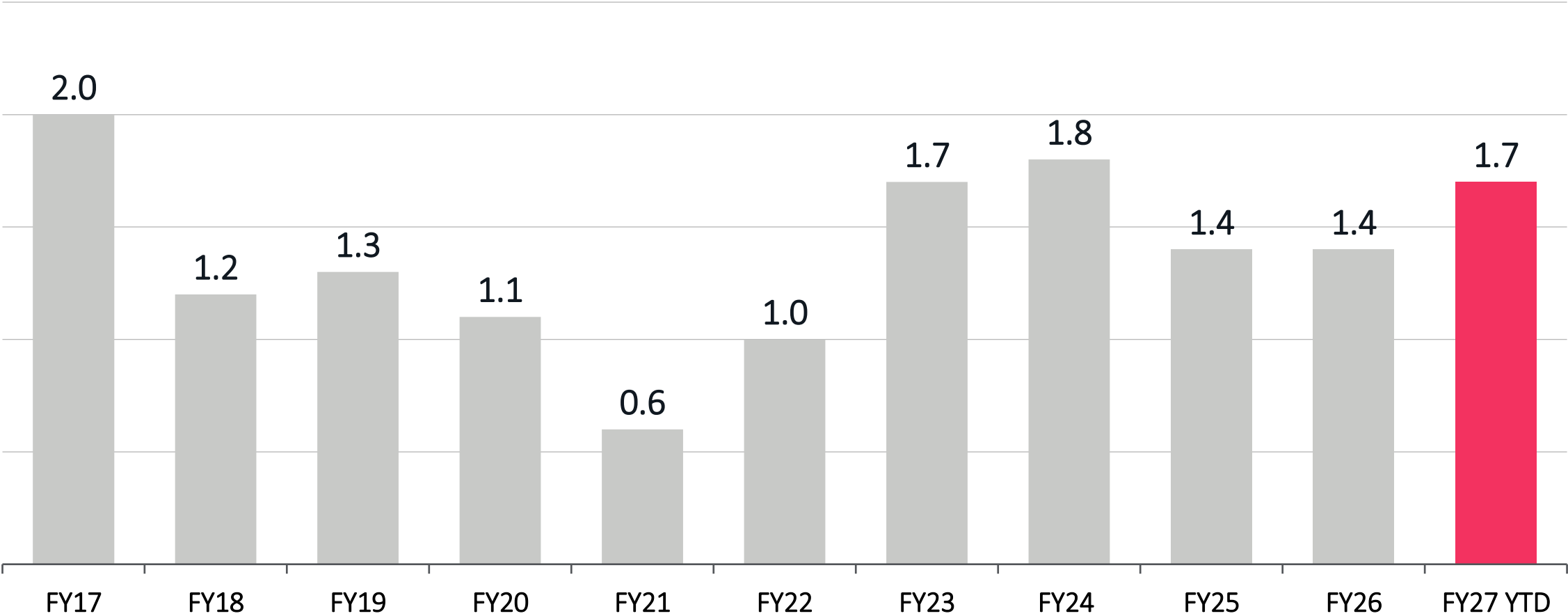
Financial information included in this presentation is unaudited. Some of the information included in this presentation is derived from Carpenter Technology's consolidated financial information but is not presented in Carpenter Technology's financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found in the Appendix to this presentation.

1st QUARTER FISCAL YEAR 2027

Tony Thene | Chairman, President and Chief Executive Officer

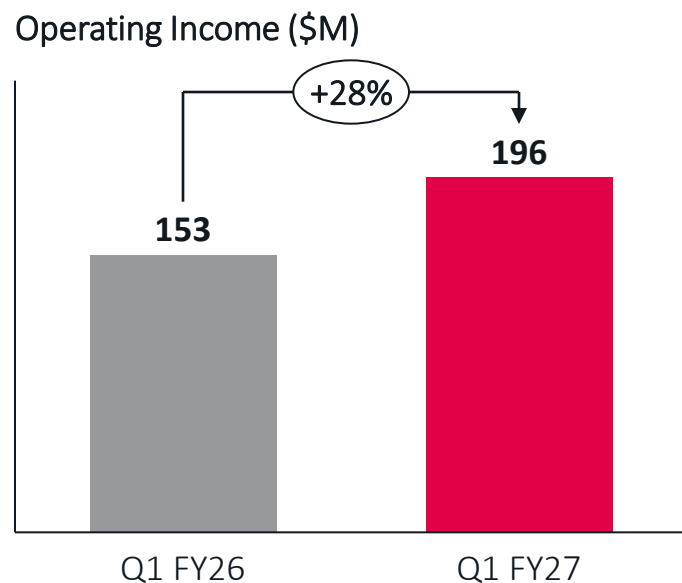
Safety is Our Highest Value

Total case incident rate



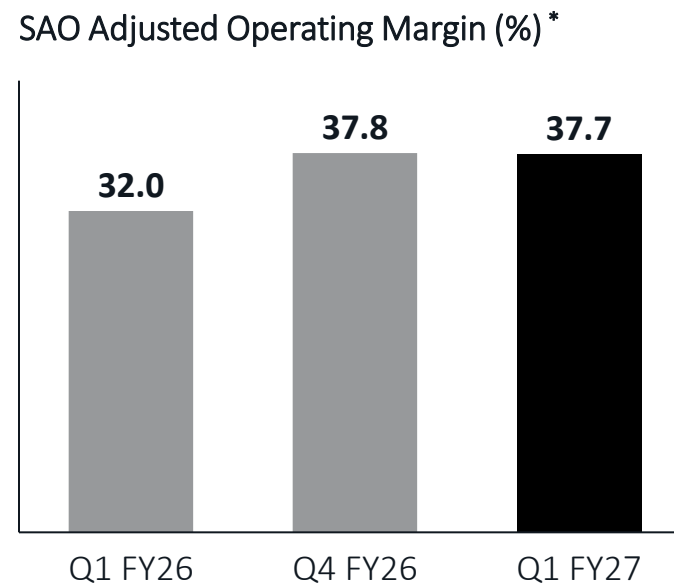
Quarter Performance: year-over-year operating income and operating margin expansion

Delivered record first quarter operating income



- Operating income up 28% year-over-year on strong execution
- Results reflect elevated levels of preventive maintenance in Q1 FY27

SAO expanded margins year-over-year

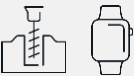


- SAO operating income of \$216.3 million, up 27% year-over-year
- Margins in-line with previous record result in Q4 FY26

Strengthening demand and pricing environment

- Accelerating demand with bookings in Aerospace structural and distribution sub-markets up 23% sequentially, 49% year-over-year
- Non-LTA pricing remains strong with broad demand across end-use markets, especially in Aerospace and Defense
- Negotiating multiple LTAs with significant pricing upside opportunity

First Quarter Fiscal Year 2027 Net Sales

MARKET	Q1-27 NET SALES EX. SURCHARGE (\$M)*	% NET SALES EX. SURCHARGE	VS. Q4-26	VS. Q1-26
 AEROSPACE & DEFENSE	\$425.4	67%	↓ -5%	↑ +10%
 MEDICAL	\$51.7	8%	↓ -4%	↓ -16%
 ENERGY	\$32.9	5%	↓ -16%	↓ -23%
 TRANSPORTATION	\$19.8	3%	↓ -12%	↑ +11%
 INDUSTRIAL & CONSUMER	\$83.2	13%	↓ -10%	↑ +11%

Aerospace and Defense demand environment continues to strengthen as supply chain ramps

- Aerospace demand growing, driven by supply chain confidence in increasing production rates and elevated MRO activity
- Increasing bookings for commercial Aerospace customers, especially among structural and distribution sub-markets
- Medical customers maintain positive outlook with increasing patient procedures
- New builds of industrial gas turbines (IGT) driving demand in Energy end-use market
- Semiconductor industry demand continues growing to support datacenter infrastructure

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1st QUARTER FISCAL YEAR 2027 FINANCIAL OVERVIEW

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

\$ millions, except per share amounts

	Q1-27	Q4-26	Q1-26	SEQUENTIAL CHANGE	YEAR-OVER- YEAR CHANGE
Net Sales	798.2	851.0	733.7	(52.8)	64.5
Net Sales ex. Surcharge Revenue [*]	634.8	679.7	603.1	(44.9)	31.7
Gross Profit	256.3	268.9	216.4	(12.6)	39.9
Selling, General and Administrative Expenses	59.9	62.0	63.1	(2.1)	(3.2)
Operating Income	196.4	206.9	153.3	(10.5)	43.1
<i>Adjusted Operating Margin ex. Surcharge Revenue[*]</i>	<i>30.9%</i>	<i>30.4%</i>	<i>25.4%</i>	<i>0.5%</i>	<i>5.5%</i>
Effective Tax Rate	15.5%	20.7%	15.4%	(5.2%)	0.1%
Net Income	162.5	162.4	122.5	0.1	40.0
Earnings per Diluted Share	\$3.25	\$3.23	\$2.43	\$0.02	\$0.82

SAO Segment Summary

\$ millions	Q1-27	Q4-26	Q1-26	SEQUENTIAL CHANGE	YEAR-OVER- YEAR CHANGE
Net Sales	730.4	770.5	659.6	(40.1)	70.8
Net Sales ex. Surcharge Revenue*	573.5	607.4	533.9	(33.9)	39.6
Operating Income	216.3	229.7	170.7	(13.4)	45.6
Adjusted Operating Margin ex. Surcharge Revenue*	37.7%	37.8%	32.0%	(0.1%)	5.7%

Q1-27 Business Results

- Net sales excluding surcharge increased 7% year-over-year driven by increased sales to Aerospace and Defense end-use market
- Operating income up 27% year-over-year on higher productivity, mix management and realized benefits of pricing actions
- Strong demand and pricing environment enabled strong operating margins; sequential comparisons impacted by less available effective capacity uptime due to planned preventive maintenance

Q2-27 Outlook

- Maintaining focus on increasing productivity while managing operating costs closely and optimizing product mix
- Demand conditions expected to further accelerate while operating results impacted by available effective capacity uptime due to holidays
- Q2-27 operating income expected to be in the range of \$214 million to \$218 million

PEP Segment Summary

\$ millions	Q1-27	Q4-26	Q1-26	SEQUENTIAL CHANGE	YEAR-OVER- YEAR CHANGE
Net Sales	91.1	108.5	93.6	(17.4)	(2.5)
Net Sales ex. Surcharge Revenue*	83.0	98.2	87.2	(15.2)	(4.2)
Operating Income	7.3	7.1	9.4	0.2	(2.1)
<i>Adjusted Operating Margin ex. Surcharge Revenue*</i>	<i>8.8%</i>	<i>7.2%</i>	<i>10.8%</i>	<i>1.6%</i>	<i>(2.0%)</i>

Q1-27 Business Results

- Net sales excluding surcharge down 5% year-over-year reflecting lower sales in the Medical end-use market
- Operating income in-line with expectations and down \$2.1 million year-over-year driven by lower Titanium sales particularly in Medical end-use market offset by strength in Additive business

Q2-27 Outlook

- Continuing to drive actions to enhance productivity and throughput rates across manufacturing facilities while closely managing costs
- Q2-27 operating income expected to be similar to Q1-27 results

Capital Allocation: Repurchasing shares while investing in brownfield capacity expansion

Anticipate strong operating cash flow generation in fiscal year 2027...

- In recent first quarter, generated \$52.8 million in cash from operating activities; negative \$24.8 million in free cash flow*
- Increasing earnings with focus on working capital management to drive anticipated fiscal year 2027 free cash results of \$400 million to \$430 million
- Spent \$77.7 million in capital expenditures in first quarter including brownfield capacity expansion as activity accelerates

...While executing against planned capital allocation priorities...

- Repurchased \$133.9 million of stock during current quarter; completed prior \$400.0 million authorization and authorized new \$1.0 billion share repurchase program
- Funded consistent quarterly cash dividend
- Brownfield capacity expansion project remains on schedule and on budget; expected to come online in early fiscal year 2028

...And maintaining healthy liquidity and strong balance sheet

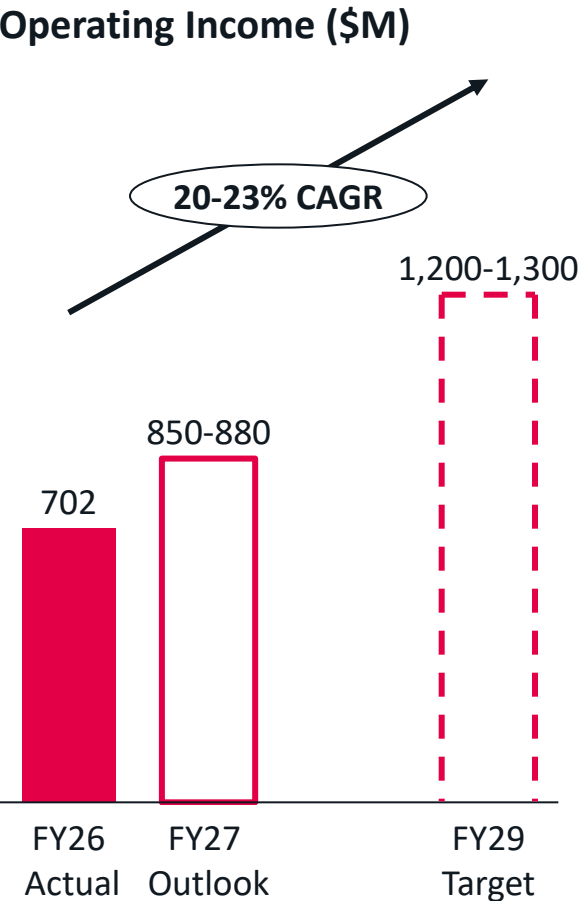
- Liquidity remains healthy at \$658.6 million including \$159.5 million of cash and \$499.1 million of available borrowings under Credit Facility
- Net Debt/EBITDA at 0.6x; remains at historic lows
- No debt maturities until 2034

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1st QUARTER FISCAL YEAR 2027 CLOSING COMMENTS

Tony Thene | Chairman, President and Chief Executive Officer

Outlook: Strong profit growth, continued margin expansion and accelerating demand



- Completed **record first quarter, up 28% year-over-year**, strong start to FY27
- Volume, mix and price continue to drive **expanding margins in SAO**
- Demand continues to accelerate**, especially in Aerospace and Defense end-use market, as supply chain confidence grows with build rates
- Pricing remains a tailwind** for both LTA and non-LTA business
- Brownfield capacity expansion** expected to contribute beginning in FY28
- Returning cash to shareholders through dividend and **\$1.0 billion share repurchase program**
- FY27 operating income outlook represents **21% to 25% increase** over record FY26
- Anticipate **\$400 million to \$430 million in free cash flow** in FY27
- FY29 operating income target represents attractive, 3-year **20% to 23% earnings CAGR**
- FY29 is not the peak**, with market dynamics continuing to strengthen

APPENDIX OF NON-GAAP SCHEDULES

Non-GAAP Schedules

Adjusted Operating Margin ex. Surcharge Revenue

\$ millions	Q1-27	Q4-26	Q1-26
Net Sales	798.2	851.0	733.7
Less: Surcharge Revenue	163.4	171.3	130.6
Net Sales ex. Surcharge Revenue	634.8	679.7	603.1
Operating Income	196.4	206.9	153.3
Operating Margin	24.6%	24.3%	20.9%
<i>Adjusted Operating Margin ex. Surcharge Revenue</i>	<i>30.9%</i>	<i>30.4%</i>	<i>25.4%</i>

Management believes that removing the impact of raw material surcharge from operating margin provides a more consistent basis for comparing results of operations from period to period, thereby permitting management to evaluate performance and investors to make decisions based on the ongoing operations of the Company. Management uses its results excluding these amounts to evaluate its operating performance and to discuss its business with investment institutions, the Company's board of directors and others.

Non-GAAP Schedules

Adjusted Segment Operating Margin ex. Surcharge Revenue

	SAO	SAO	SAO	PEP	PEP	PEP
\$ millions	Q1-27	Q4-26	Q1-26	Q1-27	Q4-26	Q1-26
Net Sales	730.4	770.5	659.6	91.1	108.5	93.6
Less: Surcharge Revenue	156.9	163.1	125.7	8.1	10.3	6.4
Net Sales ex. Surcharge Revenue	573.5	607.4	533.9	83.0	98.2	87.2
Operating Income	216.3	229.7	170.7	7.3	7.1	9.4
Operating Margin	29.6%	29.8%	25.9%	8.0%	6.5%	10.0%
<i>Adjusted Operating Margin ex. Surcharge Revenue</i>	<i>37.7%</i>	<i>37.8%</i>	<i>32.0%</i>	<i>8.8%</i>	<i>7.2%</i>	<i>10.8%</i>

Management believes that removing the impact of raw material surcharge from operating margin provides a more consistent basis for comparing results of operations from period to period, thereby permitting management to evaluate performance and investors to make decisions based on the ongoing operations of the Company. Management uses its results excluding these amounts to evaluate its operating performance and to discuss its business with investment institutions, the Company's board of directors and others.

Non-GAAP Schedules

Free Cash Flow

\$ millions	Q1-27	Q4-26	Q1-26
Net Cash Provided from Operating Activities	52.8	240.1	39.2
Purchases of Property, Plant, Equipment and Software	(77.7)	(85.1)	(42.6)
Proceeds from Disposals of Property, Plant and Equipment	0.1	—	—
Free Cash Flow	(24.8)	155.0	(3.4)

Management believes that the free cash flow measure provides useful information to investors regarding the Company’s financial condition because it is a measure of cash generated, which management evaluates for alternative uses.

Cash Flow & Liquidity Summary

\$ millions	Q1-27	Q4-26	Q1-26
Net Income + Noncash Items	218.9	221.5	173.8
Inventory	(61.6)	16.8	15.6
Working Capital / Other	(95.9)	8.4	(144.3)
Total Net Working Capital / Other	(157.5)	25.2	(128.7)
Pension Plan Contributions	(8.6)	(6.6)	(5.9)
Net Cash Provided from Operating Activities	52.8	240.1	39.2
Purchases of Property, Plant, Equipment and Software	(77.7)	(85.1)	(42.6)
Proceeds from Disposals of Property, Plant and Equipment	0.1	—	—
Free Cash Flow	(24.8)	155.0	(3.4)

\$ millions	Q1-27	Q4-26	Q1-26
Cash	159.5	393.3	208.0
Available Borrowing Under Credit Facility	499.1	499.1	348.9
Total Liquidity	658.6	892.4	556.9

- Repurchased 241,924 shares (\$133.9 million) in Q1-27 against \$400.0 million and \$1.0 billion repurchase programs
- Funded consistent quarterly cash dividend of \$0.20 per share (\$9.9 million)

Your trusted partner in innovation.

Carpenter Technology Corporation (NYSE: CRS) is a recognized leader in high-performance specialty alloy materials and process solutions for critical applications in the aerospace and defense, medical, and other markets. Founded in 1889, Carpenter Technology has evolved to become a pioneer in premium specialty alloys including nickel, cobalt, and titanium and material process capabilities that solve our customers' current and future material challenges.

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