

May 16, 2023

Investor Day 2023



Cautionary Statement

Forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected, anticipated 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, 2022, Form 10-Q for the fiscal quarters ended September 30, 2022, December 31, 2022, and March 31, 2023, and the exhibits attached to those filings. 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, transportation, energy, 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 rates; (6) the effect of government trade actions; (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 cyber attacks and information technology or data security breaches; (17) inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (18) inability 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, such as the COVID-19 pandemic; and (20) geopolitical, economic, and regulatory risks relating to our global business, including geopolitical and diplomatic tensions, instabilities and conflicts, such as the war in Ukraine, as well as compliance with U.S. and foreign trade and tax laws, sanctions, embargoes and other regulations. 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.

Agenda

Company Overview & Strategy	Tony Thene , Chief Executive Officer
Growth: Markets & Technology	Marshall Akins , Chief Commercial Officer Dr. Suniti Moudgil , Chief Technology Officer
Specialty Alloys Operations	Brian Malloy , Group President, Specialty Alloys Operations
Performance Engineered Products	David Graf , Group President, Performance Engineered Products
Financials	Tim Lain , Chief Financial Officer
Closing	Tony Thene , Chief Executive Officer
Q & A	Leadership Team

COMPANY OVERVIEW & STRATEGY

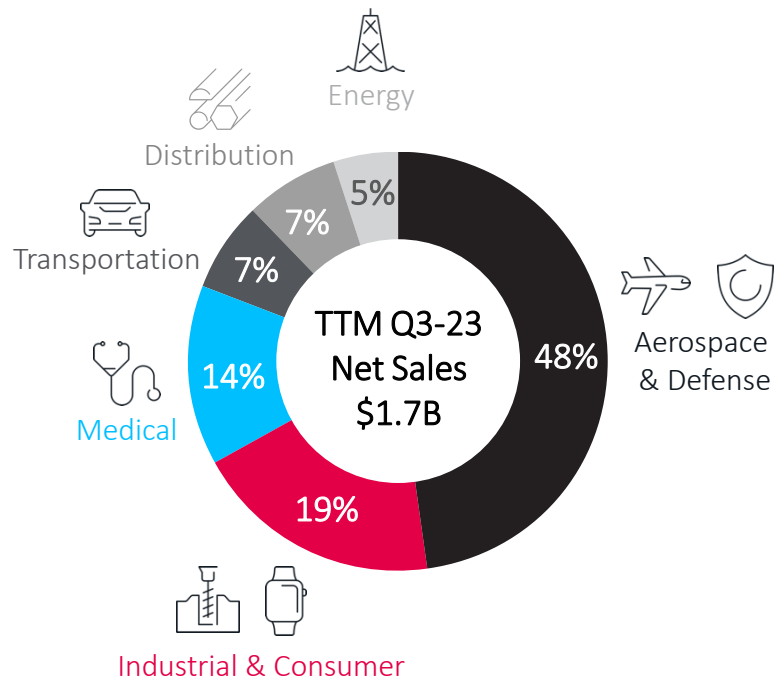
Tony Thene, Chief Executive Officer

At an inflection point — this is our time

CLEAR VISION & ROBUST STRATEGY	HIGH-GROWTH, HIGH-VALUE MARKETS	WORLD-CLASS CAPABILITIES & UNIQUE ASSETS	EARNINGS ACCELERATION & CASH FLOW GENERATION
• Leverage core strength in engineered materials and process capabilities to solve our customers current and anticipated challenges • Relentless focus on vision to be preferred solutions provider delivering products for critical applications across attractive end-use markets	• Strong underlying demand fundamentals driving record backlog • Operating in an accelerating demand environment • Pricing opportunities while optimizing mix as industry capacity is challenged	• Strengthening and expanding set of assets and capabilities to further elevate value • Driving increased productivity across operations while ensuring safety and quality • Difficult to replicate collection of unique manufacturing assets	• To date, achieving external targets communicated • Have path to achieve goal to double OI vs. FY19 • Volume, price and product mix optimization driving margin benefits • Cash generation creates significant shareholder value

Our role as a preferred solutions provider to customers

Partner to OEMs & Tiers across end-use markets in solving critical needs



Percentages reflect sales ex-surge. Quarter ending March 31, 2023.

134 years of specialty alloy product and process innovation leadership

500+ Alloys

- Nickel-based
- Cobalt-based
- Titanium
- Stainless steels
- Soft magnetic
- Other specialty alloys

Product Forms



A global footprint with ~4,000 employees



Facility locations

Athens, AL	Franklin, PA	Belgium
Rancho Cucamonga, CA	Kutztown, PA	Ontario, Canada
Clearwater, FL	Latrobe, PA	Suzhou, China
Chicago, IL	Orwigsburg, PA	Monterrey, Mexico
Dundee, MI	Philadelphia, PA	Mexico City, Mexico
Raleigh, NC	Reading, PA	Singapore
Elyria, OH	Washington, PA	Seoul, South Korea
Vienna, OH	Hartsville, SC	Torshälla, Sweden
Wauseon, OH	White House, TN	Taipei, Taiwan
		Liverpool, UK

Our Vision and Core Values

Vision

Carpenter Technology strives to be the **preferred solutions provider** in specialty materials with a reputation for zero injuries, unquestionable quality, close customer connections, innovative growth, creative technology, and engaged talent.

We embrace our role in the manufacture of **mission-critical, never-fail products** and behave in a passionate manner that will inspire our communities, customers, and investors. We will compete tirelessly to become and remain an **irreplaceable partner** in the supply chains where we participate.

Core Values

1 ZERO INJURY
WORKPLACE

2 TRANSPARENCY

3 ABOVE THE LINE
ACCOUNTABILITY

4 PERFORMANCE

5 PROFESSIONAL
CONFRONTATION

6 COLLABORATION

7 DIGNITY &
RESPECT

8 INTEGRITY &
ETHICS

Environmental, Social, and Governance program supports strategic vision

Our approach to sustainability is built upon our Vision and Core Values and aligns with our business strategy for growth

Latest Sustainability Highlights:

- Set target for 30% reduction of Scope 1 & 2 CO₂ emissions per ton of material by 2035
- Source more than 90% of electricity from carbon-neutral power
- More than 75% of feedstock used in production is recycled scrap
- Recycle more than 80% of waste across our operations
- Completed ISO14001 certification at our Reading, PA, Latrobe, PA, Athens, AL, and Liverpool, UK facilities, representing majority of our operations

Our material solutions play an important role in the global efforts to address climate change



CarpenterTechnology.com/Sustainability

Distinctive product and process capabilities drive strategic vision



Technology development

- Translate customer needs into solutions quickly
- Develop proprietary and breakthrough products
- Respond quickly to customer technical questions



Strategic marketing

- Demonstrate market knowledge and support growth
- Think, act, and execute in a future outcome manner
- Support the go-to-market approach and advantage



Operational excellence

- Prioritize safety, systematic thinking, and problem solving
- Establish and maintain process excellence
- Identify and eliminate waste



Talent engagement

- Acquire and develop talent on an ongoing basis
- Anticipate the requirements of a shifting workforce
- Create compelling careers with competitive rewards



Strategic priorities drive shareholder returns

	MAXIMIZE MARKET DEMAND	ACCELERATE GROWTH	OPTIMIZE OPERATIONS	GENERATE CASH
	• Focus on high-growth, high value end-use markets and applications • Offer unique portfolio of alloy solutions • Leverage metallurgical and application expertise to innovate	• Invest in expanded or enhanced capabilities to complement solutions portfolio: i.e., next-gen Electrification, Additive • Small-scale, attractive payback investments to unlock capacity in constrained flow paths	• Drive to a Zero Injury Workplace • Coordinate assets across system of facilities to maximize output • Invest in employee engagement to increase productivity • Use experience and knowledge to refine processes	• Improve profitability through pricing, mix optimization, and increased volumes • Tightly manage working capital and inventory levels • Balanced capital allocation approach focused on high-return investments

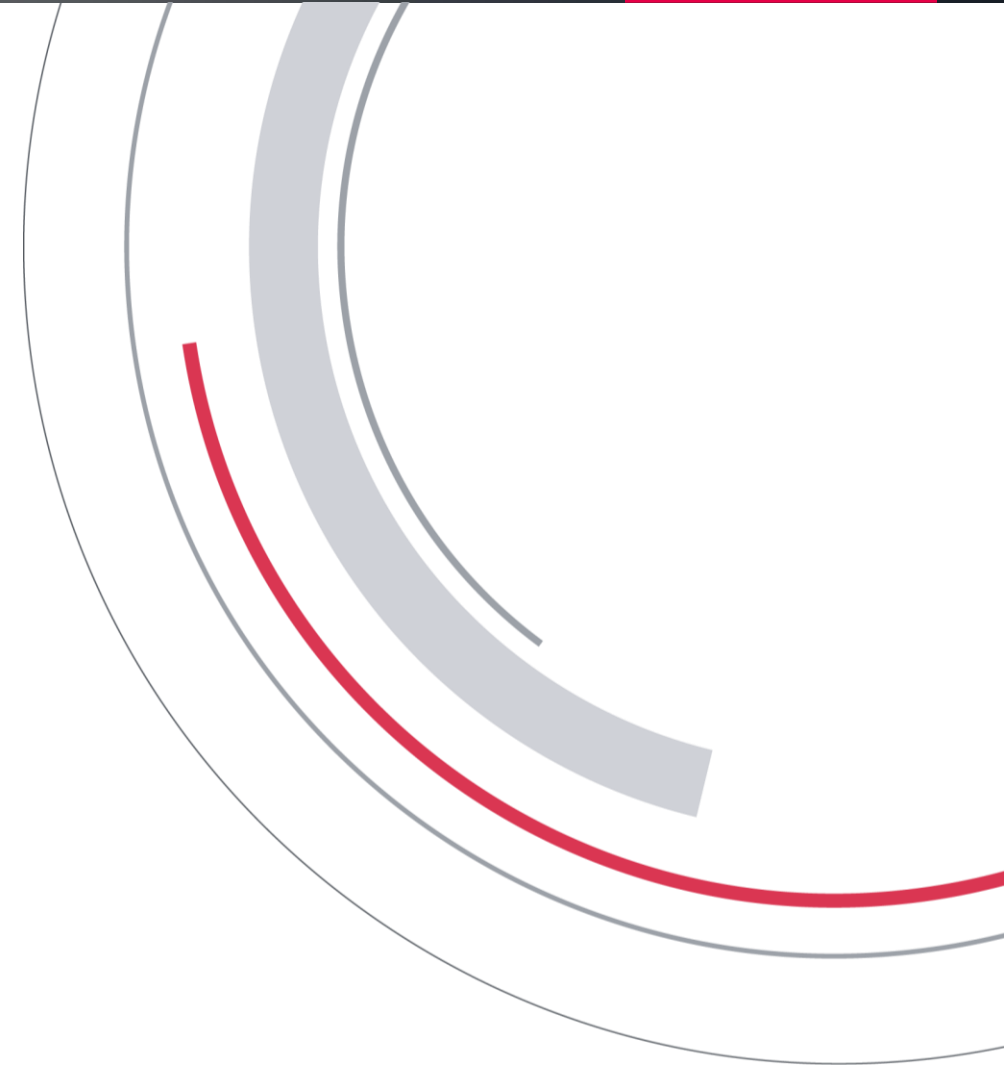
GROWTH: MARKETS & TECHNOLOGY

Marshall Akins, Chief Commercial Officer

Dr. Suniti Moudgil, Chief Technology Officer

Growth: Markets & Technology key takeaways

1. Support a **diversified** range of **end-use markets with positive growth outlooks and increasing needs** for our solutions
2. Produce **high value, highly engineered products** not readily found in the market
3. Commercially **robust outlook**



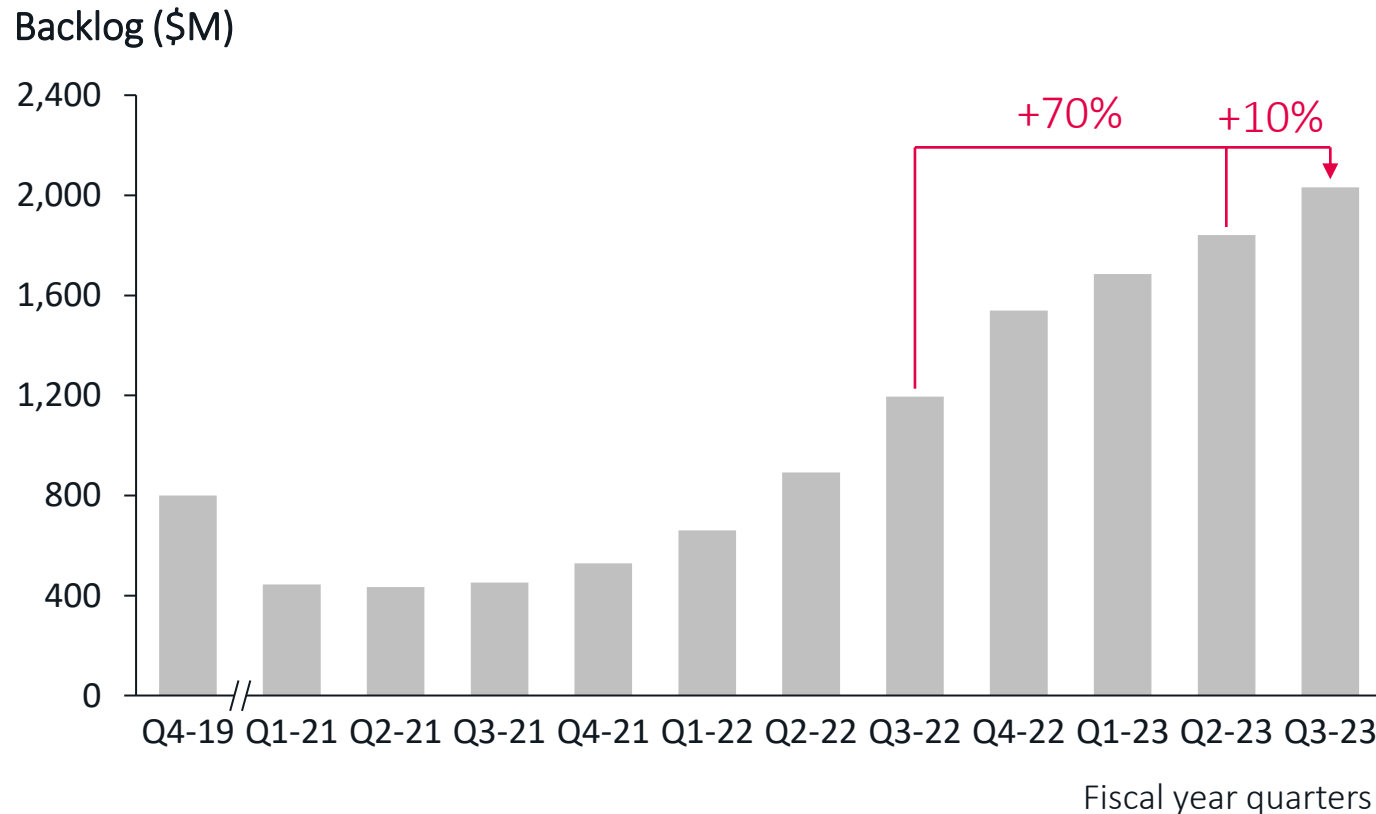
Overview of end-use markets and trends

MARKET	% REVENUE*	DEMAND TRENDS		APPLICATION TRENDS	
 AEROSPACE & DEFENSE	48%	↑	Global travel demand continues to improve, accelerating build rates and demand for material Increasing spend on critical platforms, responding to current world events	↑	Lightweight, more fuel-efficient planes Next-generation platforms with increasing performance needs
 MEDICAL	14%	↑	Aging global population and increases in medical procedures	↑	Improved patient outcomes requiring longer-lasting implants, minimally invasive surgeries, finer tools
 TRANSPORTATION	7%	↑	Solid near-term demand environment with record low inventories	↑	Focus on increases in fuel efficiency
 ENERGY	5%	↑	Increasing energy needs driving search for more and new sources of global energy	↑	Increasing tooling needs to support more difficult-to-find oil & gas and new energy generation platforms
 INDUSTRIAL & CONSUMER	19%	↑	Infrastructure build-out and rising semiconductor needs to support consumer and industrial applications More devices, more connectivity with better wireless performance	↑	Higher quality fluid control for greater efficiencies, and focus on North America production Wireless, miniaturization, haptics, among other trends requiring high-value material solutions

*Percentages reflect sales ex-surcharge. TTM, Quarter ending March 31, 2023. Excludes sales through Carpenter's Distribution businesses.

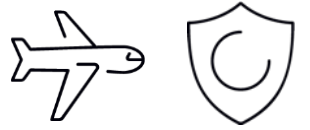
Historic demand conditions and backlog of orders

Backlog values increased 70% year-over-year, up 10% sequentially

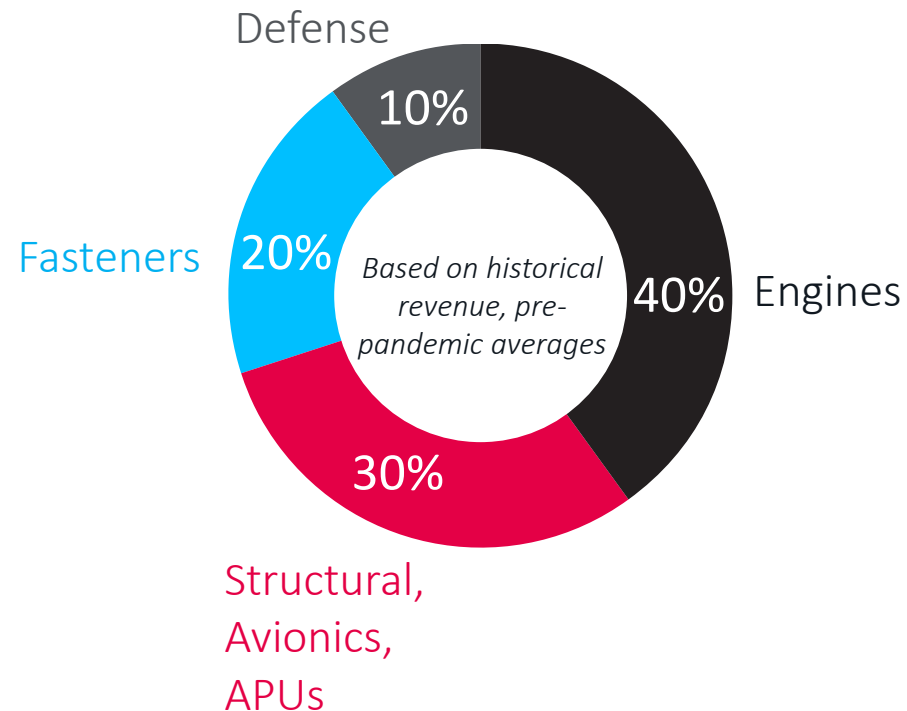


Quality of backlog increasing with pricing and mix actions

- Value increase outpacing volume
- Average sales price ~50% higher versus pre-COVID
- Substantial demand for materials wanted earlier
- Positive trends across all end-use markets



Aerospace and Defense: Strategic supplier to industry's most important applications



- High-performance material solutions, specified and designed into application
- Enable platforms to go further, faster, and longer by addressing material challenges
- R&D pipeline caters to next-generation platforms
- Few qualified suppliers
- Global support



Commercial Aerospace: Broad range of critical solutions

Engines



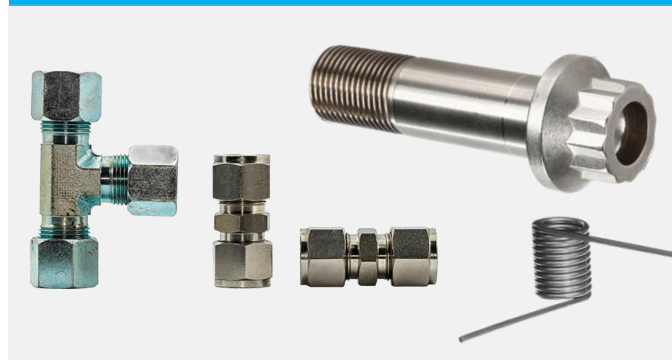
Parts

- Rings
- Discs
- Bearings
- Gears
- Shafts

Benefits

- Enable high performance throughout engine
- Broad OEM qualifications
- Industry standard and custom solutions

Fasteners



Parts

- Airframe
- Engine

Benefits

- Broadest portfolio of alloys, forms, and finishing options available
- Global supply and support

Structural & Avionics



Parts

- Landing gear
- Slat and flap tracks
- Auxiliary Power Units (APU)

Benefits

- Wide range of applications
- Increasing product requirements
- Industry-leading performance



Aerospace: Solutions in use on virtually every plane made

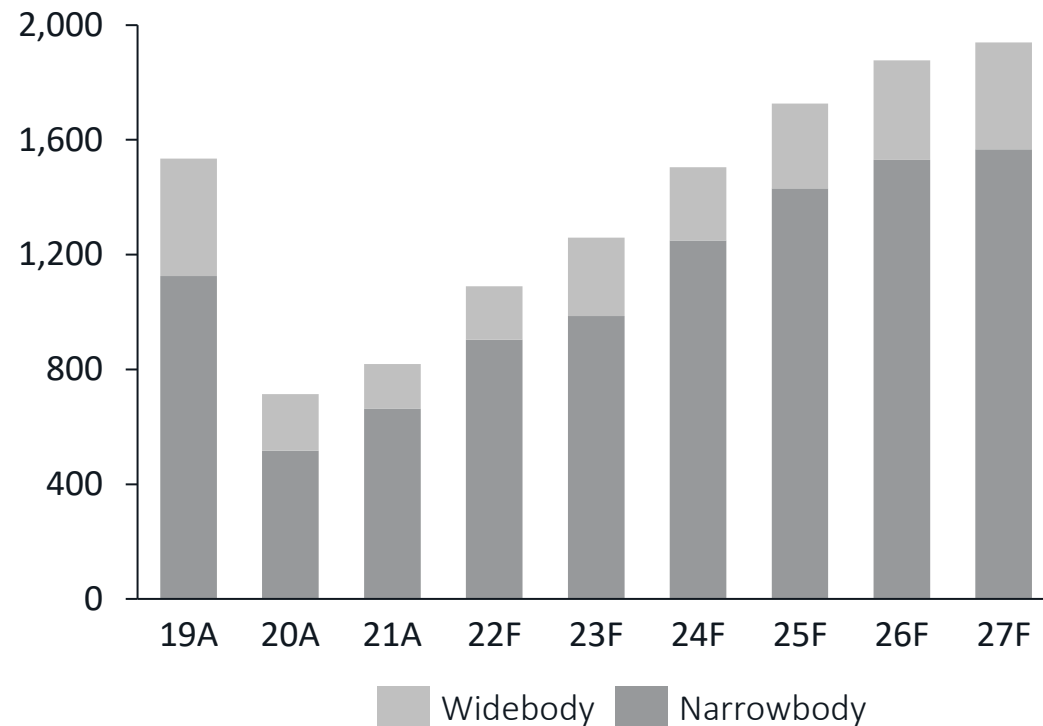




Aerospace: Global market recovering with extremely strong forward outlook

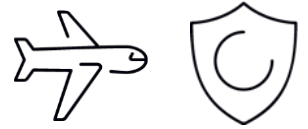
Airplane build rates expected to rebound and exceed pre-COVID levels

Annual production rates by body style



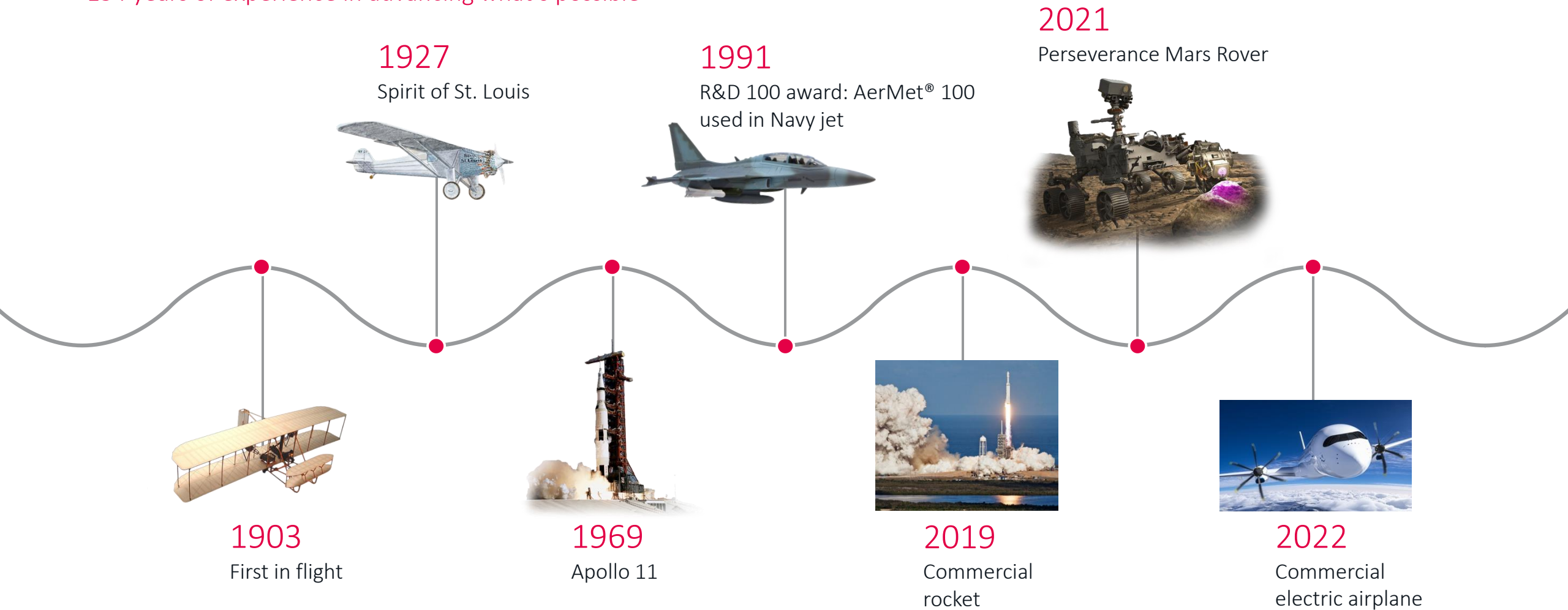
Data source: Forecast International

- Global air traffic continues to recover from COVID downturn
- OEMs increasing production, with high future targets
- Supply chain pacing increases in output
- Focus on ramping production output to meet demand



History of innovation in Aerospace and Defense

134 years of experience in advancing what's possible



Lightweighting Solutions

Industry standard for ultra-high strength and corrosion-resistant structural solutions

Ultra-high strength

- Alloys with ultra-high strength and toughness
- Careful combination of alloying elements and heat treatment processes to deliver performance

Portfolio of solutions

- AerMet® 100 / 310 / 340
- HP 9-4-30
- HYTUF
- HY-180
- 300M / 4340 / 4330+V

Applications

- Jet engine shafts
- Landing gear
- Various defense applications

High strength + corrosion resistance

- Alloys with high hardness and strength combined with corrosion resistance
- Optimization of chemistry and microstructure to achieve balance of desired properties

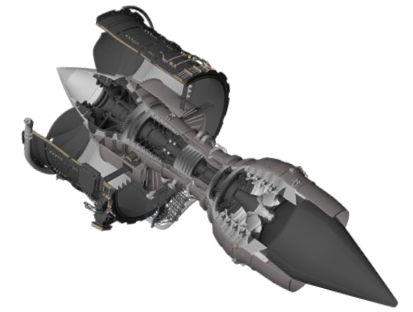
Portfolio of solutions

- Custom 465® Stainless
- Custom 455® Stainless
- 13-8 Stainless
- 15-5 Stainless
- 17-4 Stainless

Applications

- Flap slats
- Slat tracks
- Actuators
- Engine mounts
- Landing gear

CASE STUDY



CASE STUDY

High-temperature wear solutions

Industry standard for advanced gear and bearing solutions for jet engines

High-temperature advanced wear solutions

- Highly wear-resistant alloys capable of operating in high temperature environments
- Exhibit high hot hardness with core impact strength and fracture toughness

Portfolio of solutions

- Pyrowear® 53
- Pyrowear® 675
- CBS50NIL
- M-50
- 9310
- 52100

Applications

Gearing and bearing systems in:

- Jet engines
- Rotorcraft
- Structural components





Defense: Supporting next-generation platforms across environments



	Air	Land	Sea	Missiles and Munitions
EXAMPLE PLATFORMS	Rotary aircraft (e.g. V280 Valor, Apache Long Bow, Blackhawk), fixed-wing, drones	Armored Multi Purpose Vehicle Tanks (e.g. M1A2 SEP V3 Abrams, M2 Bradley)	Columbia class submarines, Ford class aircraft carriers	Hypersonic solutions, air to air/ground missiles, guided artillery munitions
APPLICATIONS	Engines, transmissions, landing gear, fasteners, APUs, drive shafts, rotor pins	Suspension systems, power generation, engines	Power plant, drives, pumps, valves, fittings, launching systems	Warheads, rocket motor cases, guidance systems
SOLUTIONS	Long life gears Specific strength structures	Torsion strength Power generation Toughness	Corrosion resistance and strength Power density Structural strength	High-temperature strength and toughness



Medical: Material solutions for improving patient outcomes

Dental

- Implants
- Screws

Cardiology

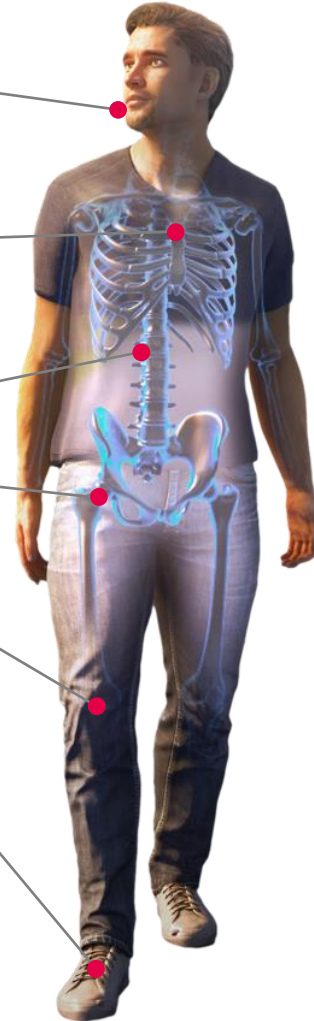
- Stents
- Leads and catheter wires

Orthopedics

- Spine
- Joint reconstruction
- Extremities
- Surgical instrumentation

Other

- Diagnostic (MRI, X-ray)
- Power tools
- Robotics



Advancing options for patient outcomes:

- Stronger, smaller, and longer-lasting implants
- Expanded range of treatment options
- Strength and precision for minimally invasive surgeries

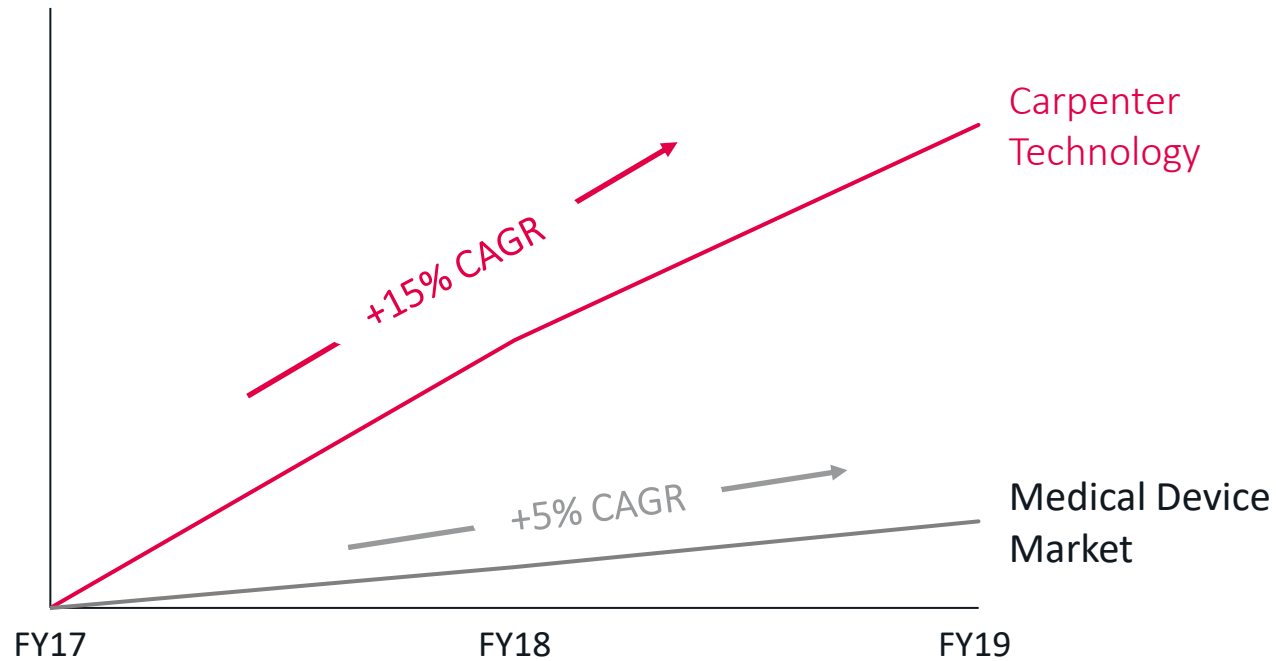
High purity, biocompatibility, and exacting specification solutions

Most expansive portfolio of alloy solutions across forms and sizes for the medical industry



Medical: Growth 2-3x above medical device market

Track record of growing faster than expanding market



Industry Data Source: ORTHOWORLD & Needham
Sales ex-surcharge and market size indexed to 2017

- Share gain with key market players
- Focus on wide portfolio and supply stability
- Investments in capacity to support growth
- Ongoing expansions to product portfolio
- Positive forward outlook

BioDur® alloys

Exceptionally high strength with biocompatible corrosion resistance

Regulatory landscape for Cobalt

- European Union Medical Device Regulation requires devices containing 0.10% or greater cobalt content to indicate the presence of cobalt as a potential carcinogenic, mutagenic, reproductive toxin substance

Nickel sensitivity

- Estimated that 10-15% of patients have nickel sensitivities
- Exposure to nickel released from the normal wear of medical implants can lead to adverse side effects

Portfolio of solutions

	BioDur® 316LS	BioDur® 734	BioDur® 108
Cobalt Free	✓	✓	✓
Nickel Free			✓
Strength (KSI)	120	190	243

Applications

- Orthopedic implants for hip and knee components
- Bone plates and screws for trauma procedures

CASE STUDY



Cobalt Free has less than 0.1% cobalt content; Nickel Free has 0.05-0.1% nickel content



Transportation: Leading supplier to high-value applications

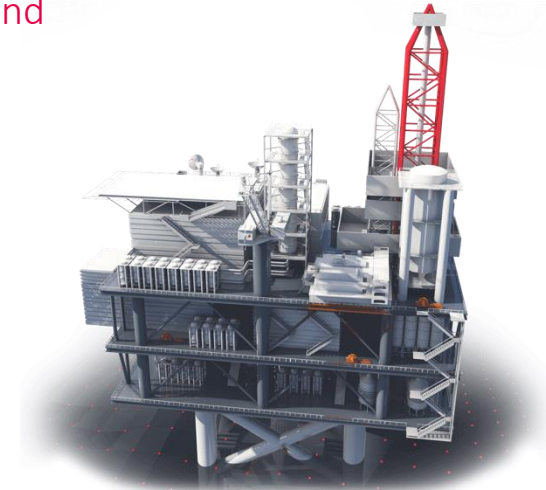
Light-duty, heavy-duty, marine, performance car



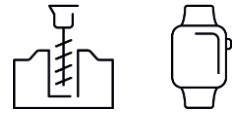
- Valves, gaskets, fasteners, turbochargers and springs
- Temperature, strength, corrosion performance
- Solid near to medium-term demand due to record low inventories
- Ongoing focus on increasing fuel efficiencies
- Stable, attractive long-term market

Energy: enabling increases to global energy supply

Onshore and offshore oil and gas, industrial turbine, nuclear, wind



- Drilling equipment, pumps, fasteners, gears, turbines
- Critical, never-fail applications
- Increasing global energy needs
- Increasingly difficult to access oil and gas
- Stringent quality requirements and approvals



Industrial & Consumer: Innovative solutions for a technological world

Semiconductor fabrication, chemical manufacturing, energy infrastructure, and consumer electronics



Industrial solutions

- Harsh and high-pressure environments
- Enable fluid delivery, measurement systems, etc.
- Highest purity and reliability solutions
- Extensive qualifications and involvement with industry standards

Consumer solutions

- Haptics, shielding, battery management



Carpenter Electrification: Material solutions for an electrified world



High-power electric motors

- Auxiliary power units in commercial aircraft
- Electric airplanes
- eVTOLs and drones
- High-performance vehicles



Sensors and shielding for consumer electronics

- Smartphones and wearables
- Microspeakers
- Hearing aids



Other emerging opportunities

- Medical: surgical tools requiring high-frequency motors
- Energy: electric submersible pumps for oil and gas



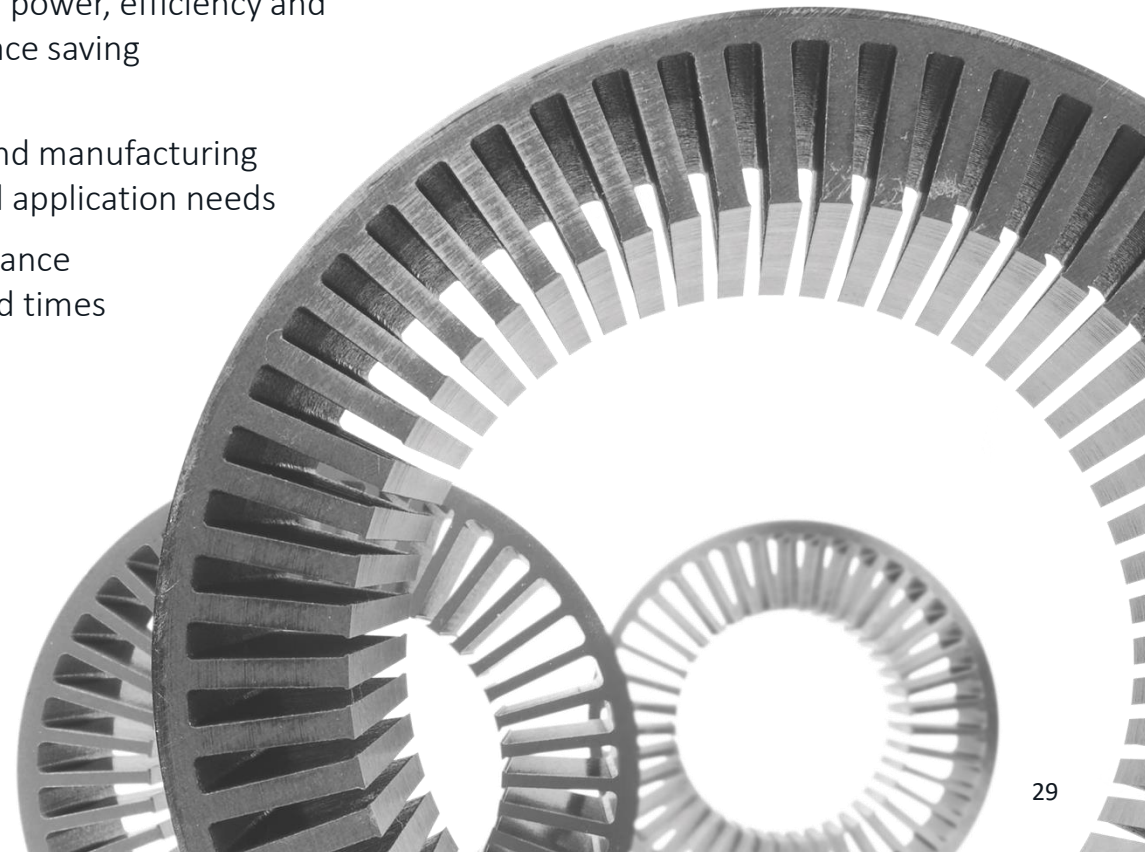
Best-in-class soft magnetic materials and stack manufacturing capabilities

Soft magnetic alloys for improved performance, miniaturization, and greater design flexibility

- Broad portfolio, including alloy with highest magnetic induction of any commercially available soft magnetic material
- Potential for 25% higher induction and 30% lower losses than conventional electrical steel
- Leading soft magnetic material position in aerospace auxiliary power units and generators

Linking strip, stack, and end motor output to optimize performance

- Ability to balance motor power, efficiency and size with weight and space saving requirements
- Optimize stack design and manufacturing process for material and application needs
- Integration helps to enhance and launch with fast lead times



Growth: Markets & Technology summary

Strong end-use market demand

- Aerospace ramp
- Next generation defense
- Aging population
- World energy needs
- Semiconductor demand

Positive application trends

- Lightweighting
- Longer lasting
- Improved efficiency
- Better patient outcomes
- Demanding environments

High-value products

- Technically challenging to produce
- Critical to customers' applications
- Specified and designed in;
non-substitutable

Few qualified suppliers

- Extensive qualifications
- Scientific hurdles
- Exacting quality requirements

Preferred supplier

- Broad portfolio of solutions
- Global supply
- OEM engagements

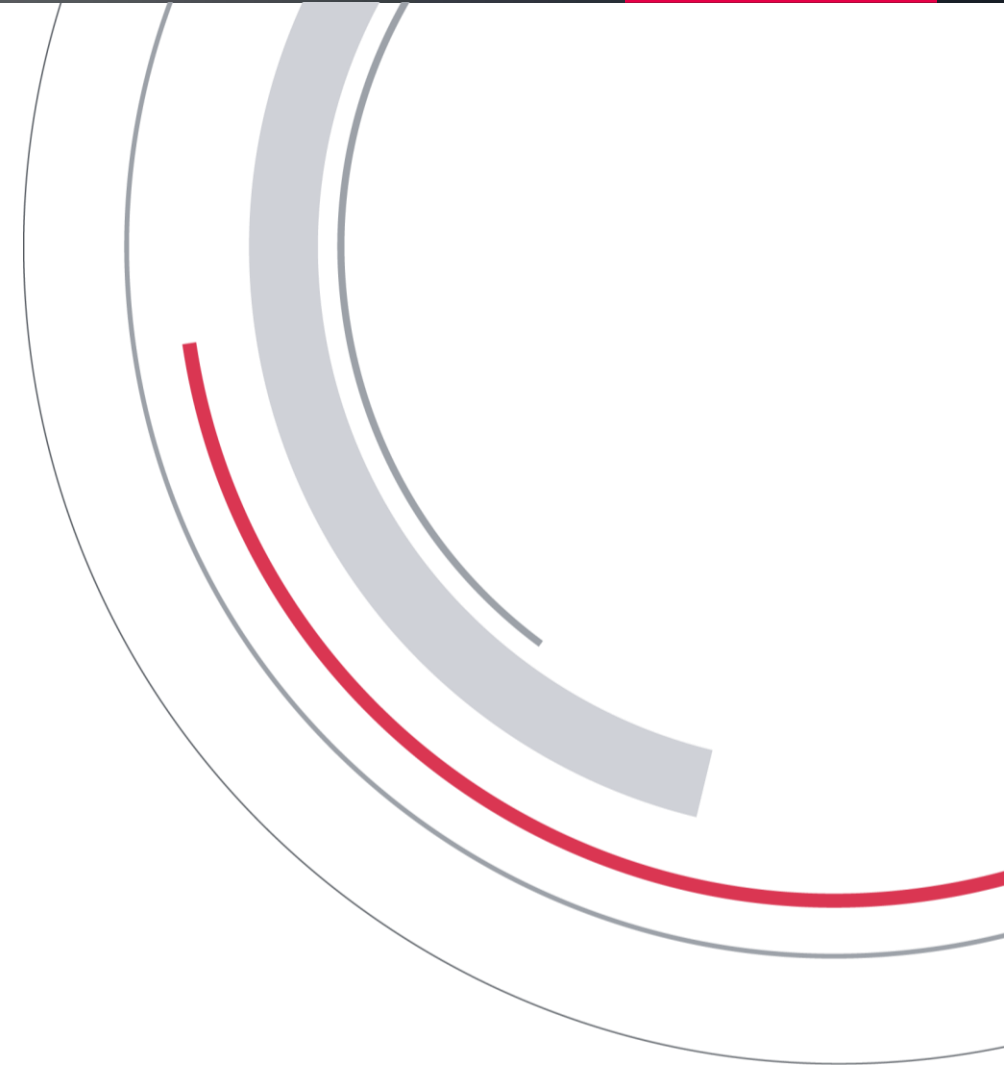
Robust commercial outlook with
growing backlog and customer
focus on security of supply

SPECIALTY ALLOYS OPERATIONS

Brian Malloy, Group President, Specialty Alloys Operations

Specialty Alloys Operations (SAO) key takeaways

1. Broad portfolio of highly specified and qualified products requires **complex manufacturing processes**
2. Unique system of assets and the technical knowledge that is **difficult to replicate**
3. Carpenter Operating Model drives **continuous productivity improvements to expand margin**



SAO's unique capabilities provide a competitive advantage

PRODUCTS

By the numbers

13

different product
categories

500+

specialty alloys

15k+

active SKUs

OPERATIONS

By the numbers

4

integrated
production plants

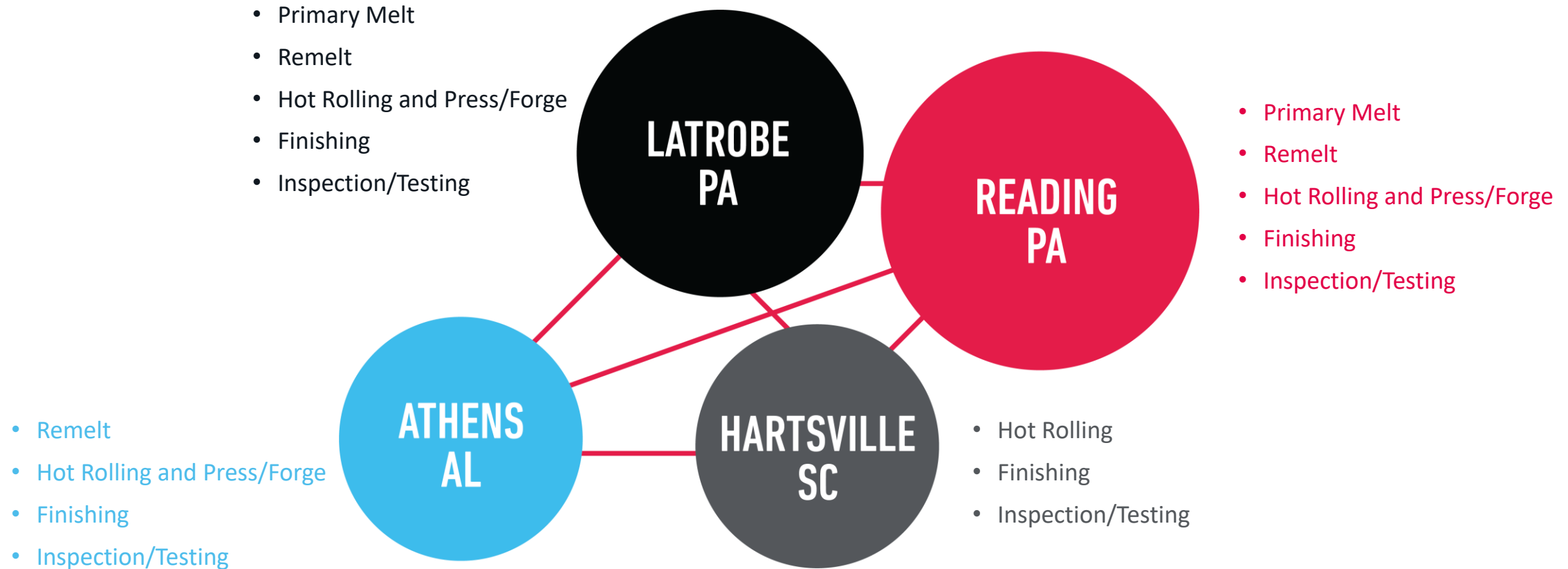
744

production
work centers

606k

product or process
tests completed

Integrated system of facilities with streamlined flow paths



High purity melting for alloys used in critical applications

- Large qualified capacity to produce high purity alloys across multiple sites
- Specialized furnaces and processes meet tightest quality specifications
- Higher purity means better performance and longer product life
- Advanced melt capabilities enable development of next-generation alloys
- Melt quality improves downstream efficiency by reducing waste and rework



World-class collection of hot working and finishing capabilities

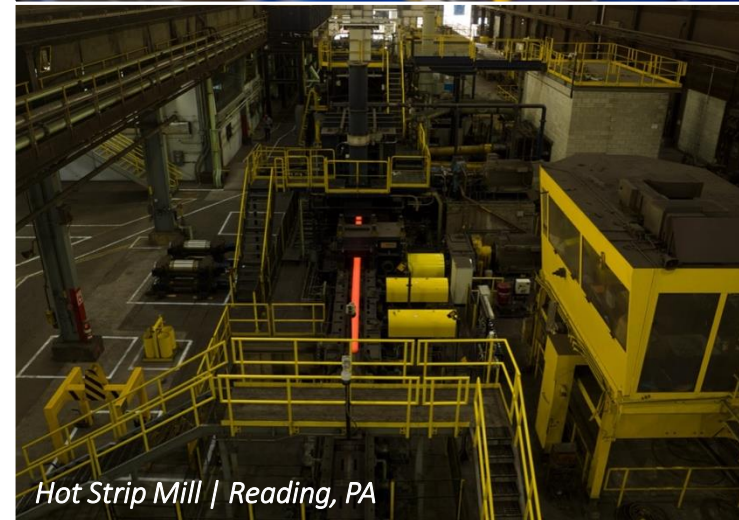
- Manufacturing experience to achieve properties to customers' performance needs
- Differentiated set of qualified assets and capabilities across facilities
- Athens radial press only significant aerospace qualified capacity known to recently come online
- Finishing capabilities able to generate wide range of forms and sizes to exacting specifications



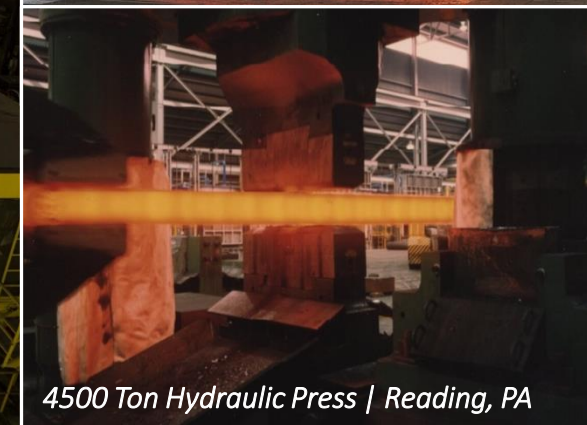
Radial Forge Press | Athens, AL



Large Furnace | Reading, PA



Hot Strip Mill | Reading, PA



4500 Ton Hydraulic Press | Reading, PA

Recently commissioned Hot Strip Mill in Reading, Pennsylvania

State-of-the-art, fully integrated mill improves quality and throughput



- Investment to upgrade legacy mill processing high value alloy solutions
- Well positioned to support electrification and consumer electronics growth
- Advanced, thin strip capability for difficult-to-process soft magnetic material
- To-date, new business includes solving customer challenges for innovative products

Quality management includes rigorous testing, certifications and qualifications

Rigorous testing throughout manufacturing process



- World class laboratories, equipment, and technicians ensure highest quality
- From supplier quality to customer delivery
- Certifications are part of the product

All facilities industry certified with quality focus



- Over 80 industry certifications across facilities
- For more, visit: CarpenterTechnology.com/quality-certifications

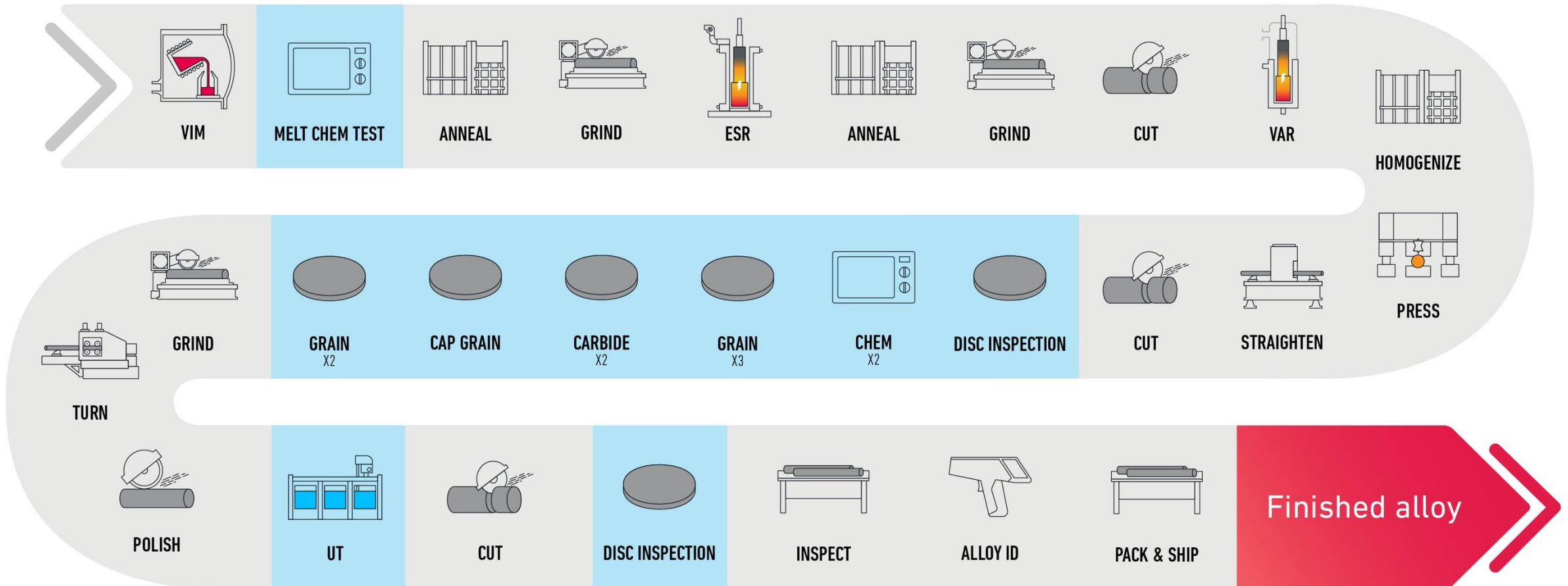
Qualification of equipment and processes by customers



- Demonstrate the ability to meet stringent standards, repeatedly
- Required by customer, tier for select products
- Extensive review of equipment, processes and technical support
- Includes sample to large scale production validation
- Large assets can take many years to be fully qualified

TRIPLE MELT 718

Nickel billet for engine discs



Driving performance through the Carpenter Operating Model

- Improve productivity through lean manufacturing
- Focus on quality and reliability
- Double-down on training and skills advancement
- Manage inventory levels and increase supply chain efficiency
- Engaged workforce improving performance and safety
- Deploy digital capabilities to accelerate improvements



Specialty Alloys Operations summary

Complex portfolio of products

- Broad portfolio of alloy solutions
- Available in range of forms and sizes
- Each alloy solution requires distinct manufacturing route

Unique assets and capabilities

- Large capacity of high-purity melting
- World-class hot working and finishing
- Advanced metallurgical expertise

Trusted partner for quality

- Rigorous, advanced testing
- All facilities industry-certified
- Customer qualifications for critical applications

Qualified to support growth

- Optimized system of 4 major facilities
- Added aerospace qualified capacity for nickel billet
- Similar new capacity takes years to qualify

Driving performance

- Productivity improvements through lean manufacturing
- Training to drive performance and safety
- Digital capabilities to accelerate growth

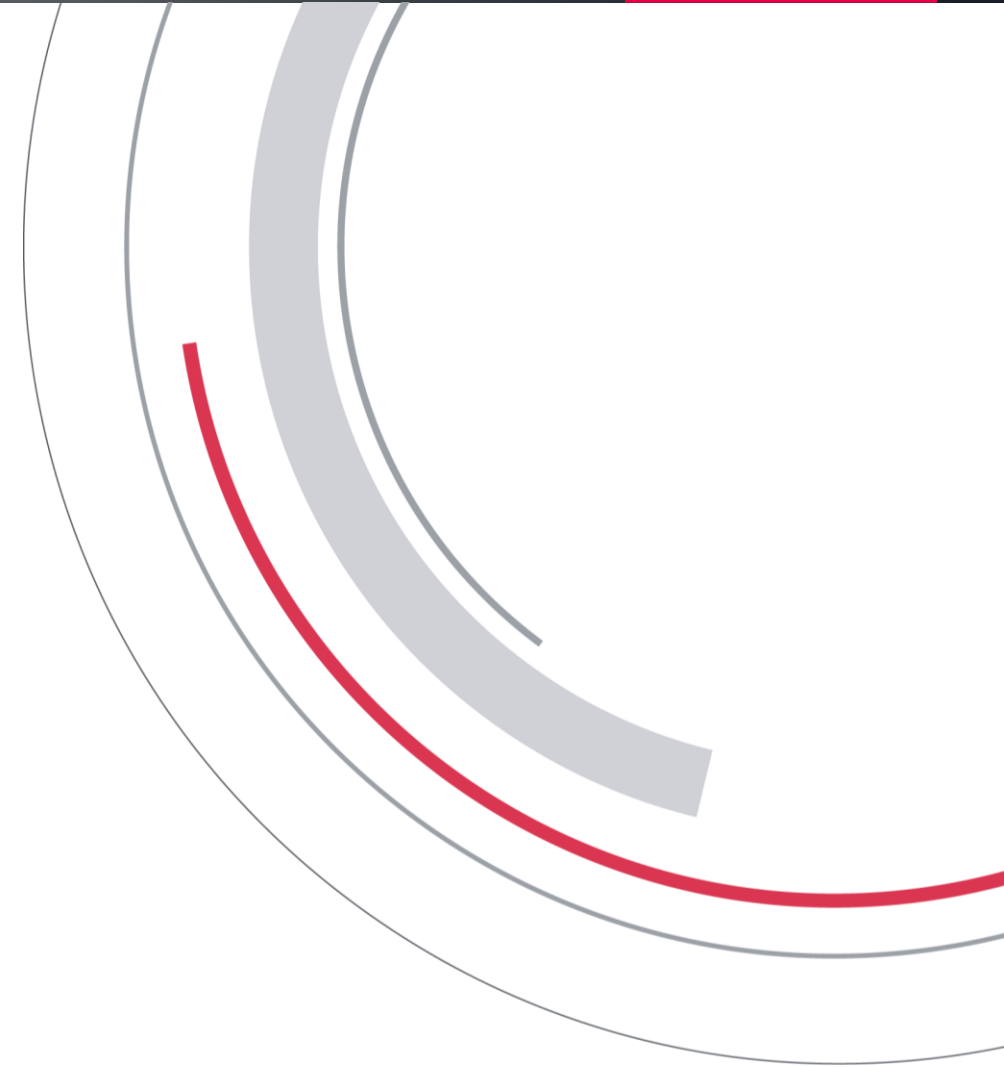
Hard-to-replicate system of qualified assets and capabilities to manufacture unique portfolio of products for critical applications

PERFORMANCE ENGINEERED PRODUCTS

David Graf, Group President, Performance Engineered Products

Performance Engineered Products (PEP) key takeaways

1. Offer **portfolio of unique solutions** to critical applications in **high-growth end-use markets**
2. Differentiated businesses that leverage and advance our **metallurgical knowledge and capabilities**
3. Provide opportunity for **high value growth** in near and long-term



Differentiated businesses managed to promote agility and growth



Solution provider for additive manufacturing (AM) customers to support their growth initiatives



Leading North American distributor providing solutions across a range of alloys and value-added services

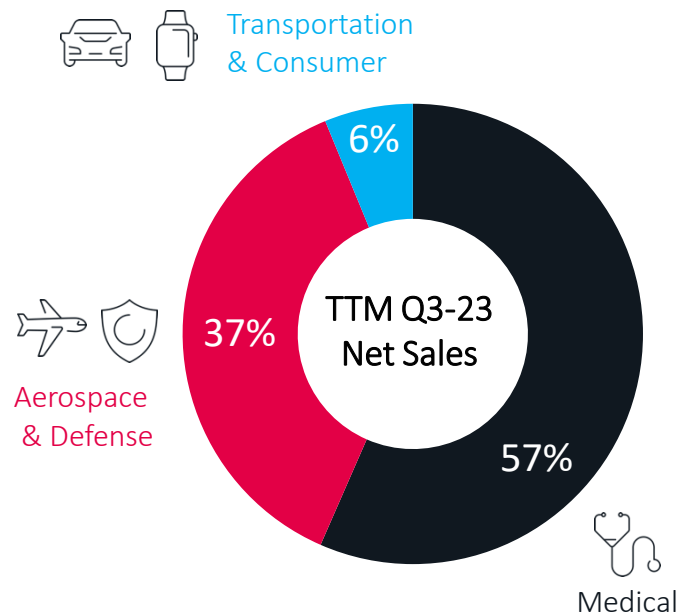


Global solutions provider of titanium alloy products for high growth, high value end-use markets



Carpenter Titanium: Exacting standards for critical applications

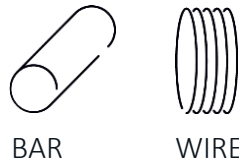
Serving high growth, high value end-use markets with critical applications



Net sales ex surcharge

Differentiated set of qualified hot working and finishing capabilities

- Offer broad portfolio of Titanium alloys
- Produce primarily bar and wire in range of sizes at tight tolerances



- Processes qualified to customer specifications
- Manufacture small sizes, enabling OEM product development

Solving our customers' Titanium challenges

- Final product forms seamlessly integrate with OEM production
- Invested in additional capacity and capabilities, primarily for Medical markets
- Driving improvements with Carpenter Operating Model



CASE STUDY

Titanium ULTRABAR®

Meets high tolerance needs for medical and aerospace applications

Product

- Titanium ULTRABAR® provides exceptional dimensional accuracy for high-precision products
- ULTRABAR® improves accuracy and efficiency for critical applications.

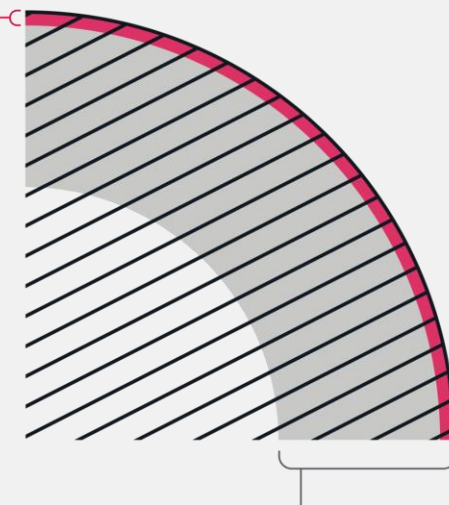
Typical applications

- Precision medical needs such as bone screws and spinal implants
- Exact tolerances for critical use in aerospace fasteners

3 MM DIAMETER BAR

Carpenter Technology
ULTRABAR®
+0/-0.004 mm tolerance

**90%
TIGHTER
TOLERANCE**
THAN INDUSTRY STANDARD



Aerospace Material
Specifications (AMS) Standard
+0/-0.050 mm tolerance



Performance Engineered Products summary

Carpenter Additive

- Aligned with growth opportunities in the aerospace, defense and medical markets
- Leveraging our metallurgical expertise to advance the developing AM industry

Carpenter Distribution Solutions

- Value-added services for industrial and transportation end-use markets
- Profitable, cash-generating business with opportunities for growth

Carpenter Titanium by Dynamet

- Serving high value end-use markets in medical, aerospace and defense
- Leveraging unique, qualified assets and capabilities
- Driving performance through lean manufacturing to support the growing market demands

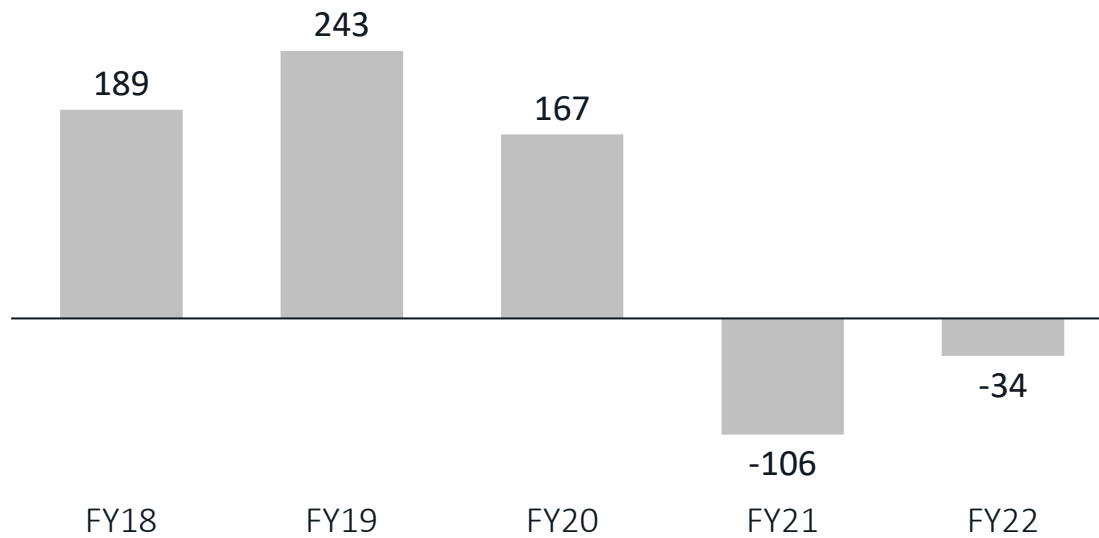
Differentiated businesses
serving high growth, high value
end-use markets

FINANCIALS

Tim Lain, Chief Financial Officer

Carpenter Technology Growth

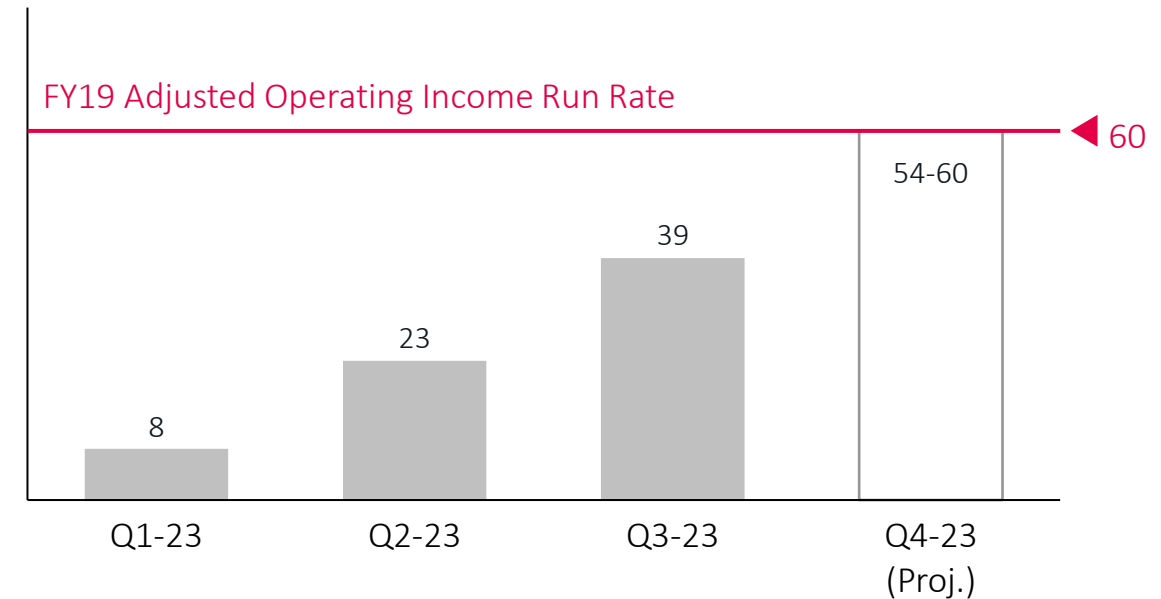
Adjusted Operating Income History (\$M)*



Growth trajectory was underway pre-pandemic

- Identified, developed, and invested in next waves of growth
- Pandemic had significant impact on volume and profitability

FY23 Operating Income (\$M)



Resetting growth trajectory today

- Strong demand outlook for short, medium, and long-term
- Focused on ramping operations, increasing throughput, improving product mix, increasing prices, and cost discipline

Financial outlook

Opportunity to double operating income (OI)

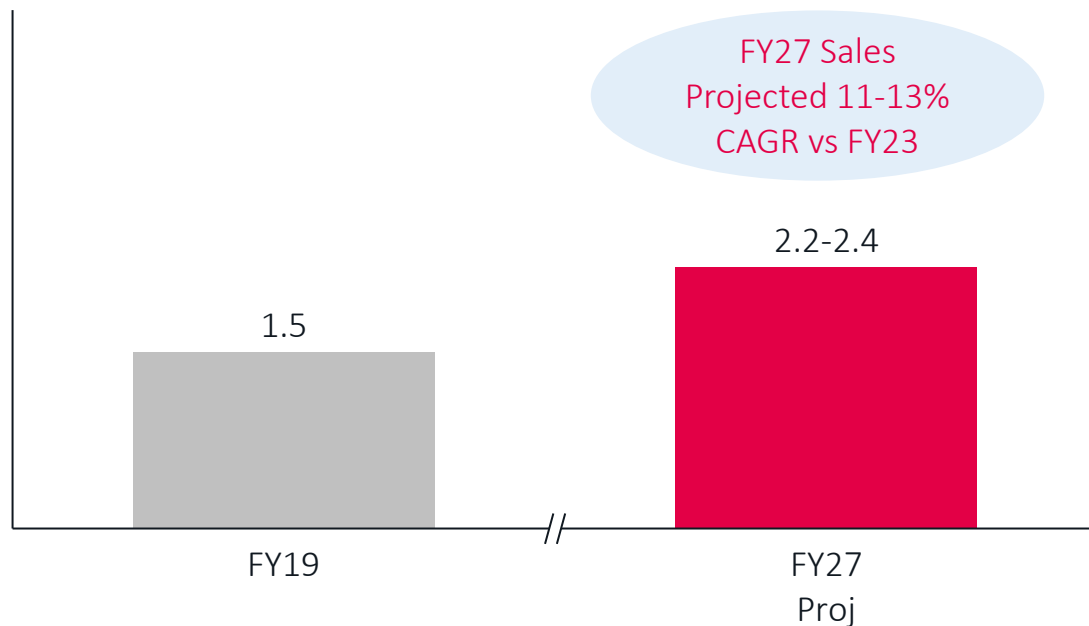
- Goal to double FY19 operating income run-rate during FY26 and 2X full year FY19 operating income by FY27
- FY27 operating income goal represents 40% CAGR from FY23 projected operating income
- Expect significant step forward towards long-term goal in FY24
- Primarily driven by higher prices, improving product mix and increasing volumes via Aerospace and Defense and Medical end-use markets
- Potential upside with incremental electrification and additive manufacturing opportunities



Current capacity and capabilities in place to support our FY27 OI goal

SAO: Improving profitability via higher and more profitable volumes

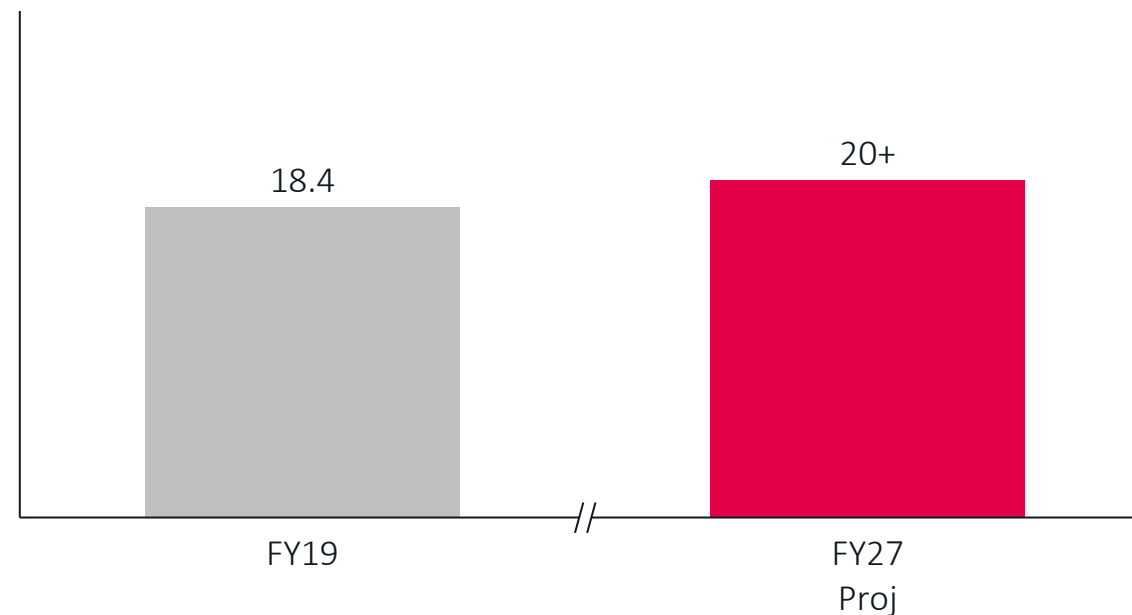
Net Sales Ex Surcharge (\$B)*



FY19 to FY27 expected increase in net sales driven by:

- ~ 70%: Pricing gains and product mix optimization
- ~ 30%: 15-20% higher shipment volumes over FY19 levels driven by expanded capacity via higher throughput/productivity

Adjusted Operating Margin (%)*

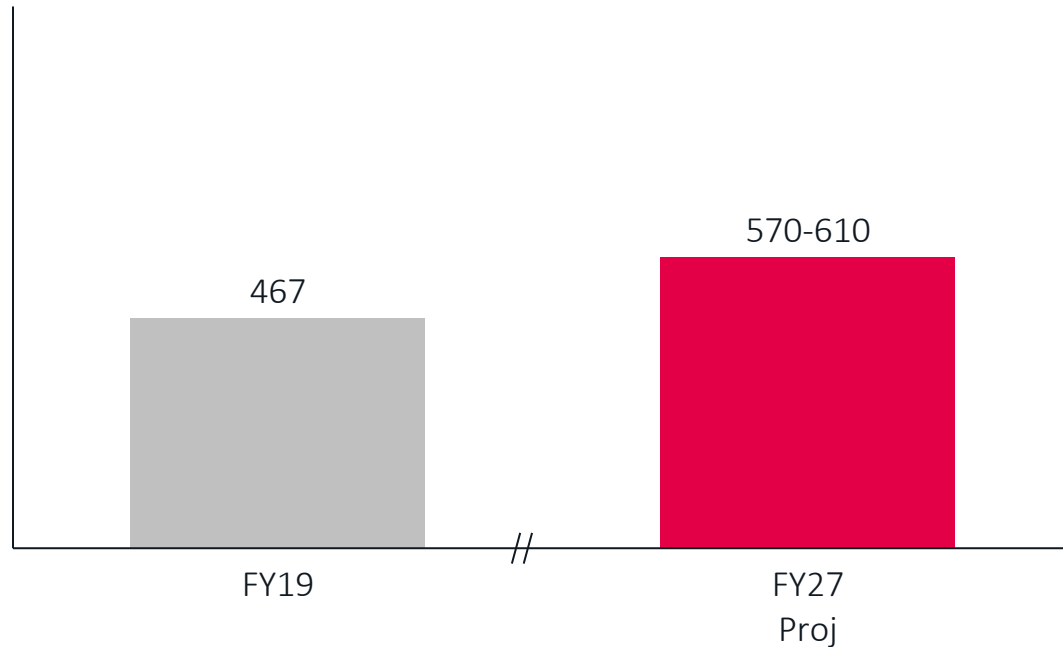


Pricing gains, product mix optimization and higher volumes

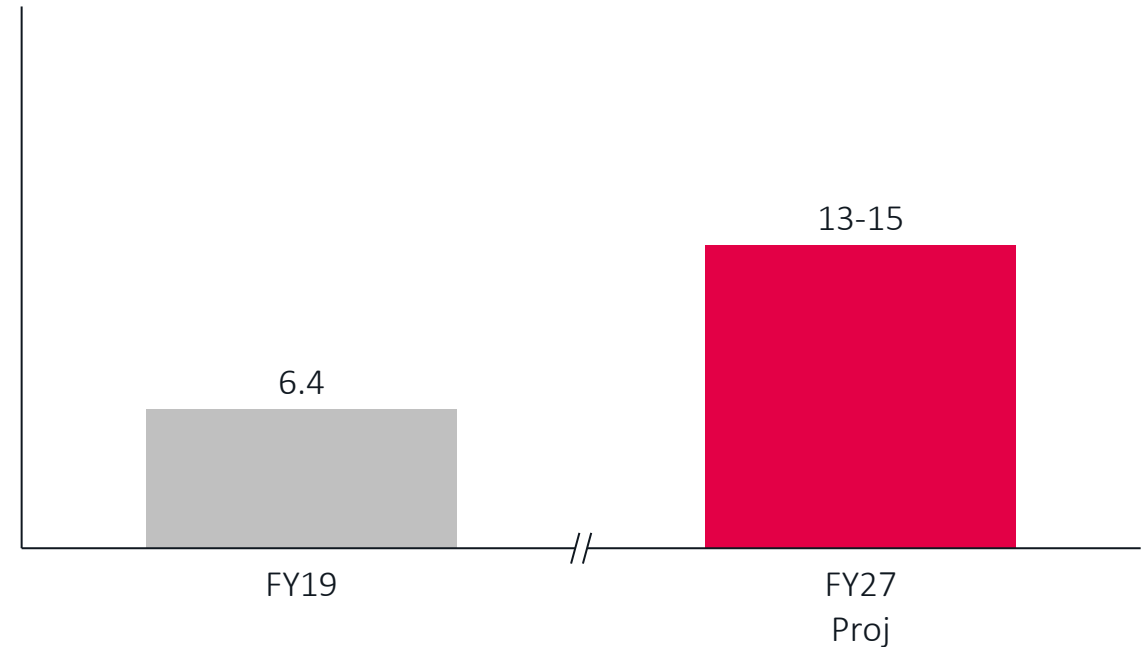
- Pricing gains and product mix more than offset inflation
- Volume increases sales and improves operating leverage

PEP: Growth primarily driven by Dynamet Titanium business

Net Sales Ex Surcharge (\$M)*



Adjusted Operating Margin (%)*



Titanium business continues to grow

- Titanium business driven by Aerospace and Defense and Medical end-use market sales with operating margins comparable to SAO
- Additive to provide positive contribution reflecting cost reduction actions combined with increasing sales
- Distribution expected to maintain steady growth

Increased profitability to drive cash flow generation

(\$ in millions)	FY24 - FY27 Estimated
Cash from operations	1,070 – 1,270
Capital expenditures	(500)
SUBTOTAL	570 – 770
Dividends	(170)
ADJUSTED FREE CASH FLOW	400 – 600

Cumulative cash flow over four-year period

- Track record of delivering cash flow generation
- Disciplined approach to working capital management
- No significant pension contributions until FY25
- Large-scale capital investments completed early in cycle
- Consistent returns to shareholder via quarterly dividend
- Adjusted free cash flow, pre-dividend, expected at 80%+ of net income by FY27
- No debt maturities until FY29

Balanced capital allocation strategy

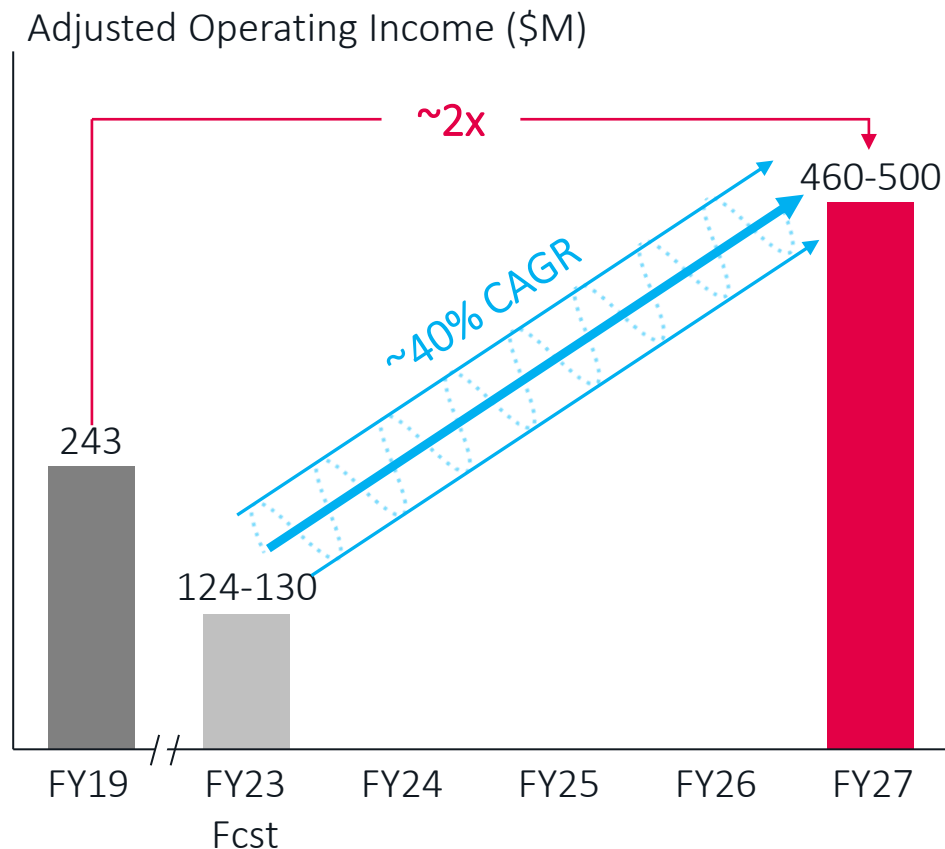
	CAPITAL EXPENDITURES	M & A	DE-LEVER BALANCE SHEET	RETURN CAPITAL TO SHAREHOLDERS
	- Targeting \$125 million of annual spend for the next several years - Focus on high return, quick payback opportunities to enhance capabilities or enable near-term throughput/capacity improvements	- Build vs. buy opportunities to expand capabilities or enhance solutions portfolio - Focus on immediately accretive opportunities	- Expect to return to historical leverage ratios via improving EBITDA - Incremental opportunities to reduce interest cost and leverage, and/or de-risk pension liabilities	Funded consistent dividend to stockholders throughout pandemic, expect to maintain attractive dividend

CLOSING

Tony Thene, Chief Executive Officer

Doubling OI to meaningfully increase earnings per share and cash flow generation

Goal of doubling operating income by FY27 vs. FY19



- Goal to double FY19 operating income run-rate during FY26 and 2X full year FY19 operating income by FY27
- FY27 operating income goal represents ~40% CAGR from FY23 projected operating income
- Expect meaningful step forward towards long-term goal in FY24
- Capacity and capabilities in place to support the goal
- Potential incremental upside with our electrification and additive manufacturing activities

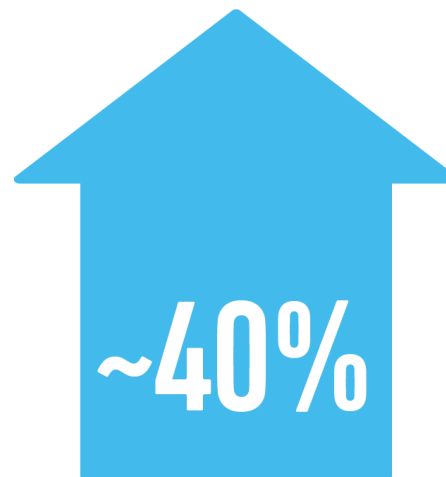
Bringing it all together – An industry leader with a compelling outlook

Robust market outlook for solutions portfolio

- Broader macro trends driving record backlog and positive outlook across end-use markets
- Broad portfolio of specialized solutions designed for demanding, critical applications
- History of materials innovation to solve customer challenges

Leading capabilities and capacity

- Difficult-to-replicate, integrated system of product and process capabilities and capacity
- Manufacturing systems to produce highly technical materials to exacting quality requirements
- Qualified supplier in critical end-use markets (e.g. aerospace, medical)



FY23-FY27
OI CAGR

(\$ in millions)	FY24 - FY27 Estimated
Cash from operations	1,070 – 1,270
Capital expenditures	(500)
SUBTOTAL	570 – 770
Dividends	(170)
ADJ. FREE CASH FLOW	400 – 600

Cumulative cash flow over four-year period

Q & A SESSION

Starting shortly

Q & A



Appendix

Non-GAAP Schedules

Adjusted operating margin, excluding surcharge revenue and special items

\$ millions	FY18	FY19	FY20	FY21	FY22
Net Sales	2,158	2,380	2,181	1,476	1,836
Less: Surcharge Revenue	365	438	352	223	436
Net Sales Excluding Surcharge Revenue	1,793	1,942	1,829	1,253	1,400
Operating Income (Loss)	189	241	25	(249)	(25)
Special Items:					
LIFO Decrement	—	—	2	52	—
COVID-19 Costs	—	—	7	17	6
COVID-19 Employee Retention Credits	—	—	—	—	(13)
Acquisition Related Costs	—	2	—	—	—
Environmental Site Charge	—	—	—	—	3
Restructuring and Non-cash Impairments	—	—	133	74	—
Acquisition-related Contingent Liability Release	—	—	—	—	(5)
Special Items	—	2	142	143	(9)
Operating Income (Loss) Excluding Special Items	189	243	167	(106)	(34)
Operating Margin	8.8%	10.1%	1.2%	-16.8%	-1.4%
Adjusted Operating Margin Excluding Surcharge Revenue and Special Items	10.6%	12.5%	9.1%	-8.4%	-2.4%

The clerical accuracy of certain amounts may be impacted due to rounding.

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. In addition, management believes that excluding the impact of special items from operating margin is helpful in analyzing the operating performance of the Company, as these items are not indicative of ongoing operating performance. 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, excluding surcharge revenue

\$ millions	SAO FY19	PEP FY19
Net Sales	1,967	480
Less: Surcharge Revenue	430	13
Net Sales Excluding Surcharge Revenue	1,537	467
Operating Income	282	30
Operating Margin	14.3%	6.3%
Adj. Operating Margin Excluding Surcharge Revenue	18.4%	6.4%

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.