February 2, 2022

CARPENTER TECHNOLOGY CORPORATION

2nd Quarter Fiscal Year 2022
Earnings Call

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 year ended June 30, 2021, Form 10-Q for the quarter ended September 30, 2021 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 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) uncertainty regarding the return to service of the Boeing 737 MAX aircraft and the related supply chain disruption; (17) potential impacts of the COVID-19 pandemic on our operations, financial results and financial position; (18) our efforts and efforts by governmental authorities to mitigate the COVID-19 pandemic, such as travel bans, shelter in place orders and business closures, and the related impact on resource allocations and manufacturing and supply chains; (19) our status as a "critical", "essential" or "life-sustaining" business in light of COVID-19 business closure laws, orders and guidance being challenged by a governmental body or other applicable authority; (20) our ability to execute our business continuity, operational, budget and fiscal plans in light of the COVID-19 pandemic; and (21) our ability to successfully carry out restructuring and business exit activities on the expected terms and timelines. 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. Carpenter Technology undertakes no obligation to update or revise any forward-looking statements.

Non-GAAP and other financial measures

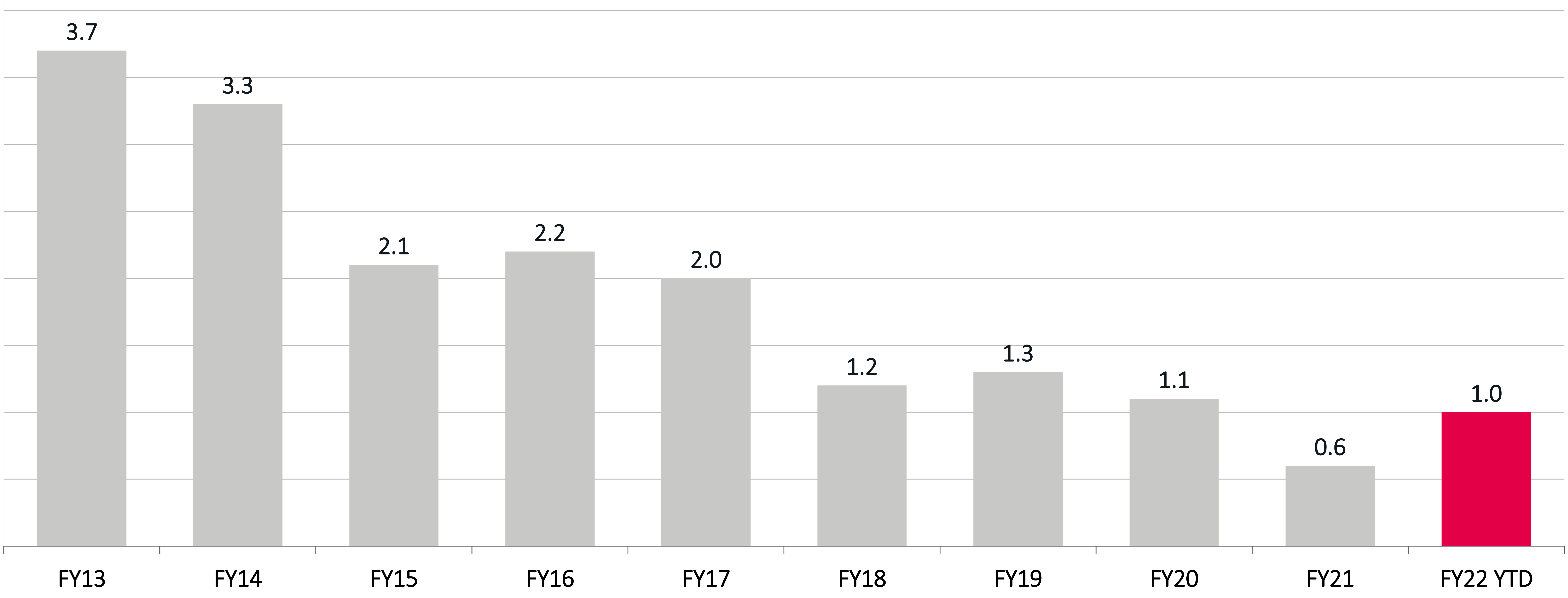
Financial information included in this presentation is unaudited. Some of the information included in this presentation is derived from Carpenter Technology's consolidated financial information but is not presented in Carpenter Technology's financial statements prepared in accordance with U.S. Generally 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.

2^{nd} QUARTER FISCAL YEAR 2022

Tony Thene | President and Chief Executive Officer

Safety is Our Highest Value

Total Case Incident Rate (TCIR)



Second Quarter Summary

- Demand across end-use markets continues to improve with backlog up 35% sequentially and 106% year-over-year
- Completed long-term Aerospace and Defense contract renewals, locking in share and pricing gains
- Received three additional Athens qualifications
- PEP segment finished ahead of our expectations, largely driven by recovery in the Medical end-use market
- Repairs underway and on-track on Reading press; currently expect to be fully operational before end of Q3-22
- Performance in SAO segment impacted by near-term labor shortages due to COVID-19 isolations, hiring challenges, and global supply chain disruptions
- Liquidity remains healthy at $392 million

Strong Demand Across Markets Resulting in Higher Bookings and Backlog; Continuing to Work with Customers to Navigate Near-Term Operational Headwinds

Second Quarter End-Use Market Highlights

MARKET	Q2-22 NET SALES EX. SURCHARGE ($M)*	%	VS. Q2-21	VS. Q1-22	COMMENTS
AEROSPACE & DEFENSE	$134.0	43%	-10%	-1%	• Ongoing end-use market recovery despite near-term uncertainties • Significant increases in customer order intake and extending lead times across multiple applications • Industry focus on securing capacity and planning for periods of demand ramps • Year-over-year decline due in large part to timing of certain items that had a positive impact on Q2-21
MEDICAL	$40.4	13%	+39%	+9%	• OEMs and Distribution replenishing depleted stock levels influenced by lead times • Sequential growth driven by restocking in orthopedic sub-market • Market remains optimistic on normalcy returning mid-CY22 • Omicron variant impact on staffing levels & elective procedures varies by geography
TRANSPORTATION	$28.5	9%	+10%	-9%	• Global light-duty outlook shows renewed optimism that chip-related production shortages will ease • Heavy-duty market expects to continue strong demand through CY22 • Expecting continued strength in aftermarket and watercraft applications
ENERGY	$16.0	5%	-10%	-1%	• Oil & gas sub-market ramping production with increased confidence in demand outlook • International oil & gas sub-market continues to increase activity to meet growing demand • Continue to manage maintenance cycle in power generation sub-market
INDUSTRIAL & CONSUMER	$66.4	21%	+18%	0%	• Continue to see strong demand across Industrial sub-markets; semiconductor demand remains at historic highs • Demand outlook remains strong for electronics and sporting goods

*Excludes sales through Carpenter's Distribution businesses.

2nd QUARTER FISCAL YEAR 2022 FINANCIAL OVERVIEW AND BUSINESS UPDATE

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

Performance impacted by short-term operational challenges

$ millions, except pounds and per-share amounts	Q2-22	Q2-21	Q1-22	YEAR-OVER-YEAR CHANGE	SEQUENTIAL CHANGE
Pounds (‘000)	43,082	39,620	43,528	3,462	(446)
Net Sales	396.0	348.8	387.6	47.2	8.4
Net Sales ex. Surcharge Revenue*	314.9	299.4	312.9	15.5	2.0
Gross Profit	13.1	6.0	25.2	7.1	(12.1)
Selling, General and Administrative Expenses	44.6	42.2	44.3	2.4	0.3
Special Items in Operating Loss	1.7	56.7	1.6	(55.0)	0.1
Operating Loss	(31.5)	(89.0)	(19.1)	57.5	(12.4)
Operating Loss ex. Special Items*	(29.8)	(32.3)	(17.5)	2.5	(12.3)
*% of Net Sales ex. Surcharge Revenue and Special Items**	*-9.5%*	*-10.8%*	*-5.6%*	*1.3%*	*-3.9%*
Effective Tax Rate	16.0%	11.2%	41.3%	4.8%	-25.3%
Net Loss	(29.4)	(84.9)	(14.8)	55.5	(14.6)
Diluted Loss per Share	($0.61)	($1.76)	($0.31)	$1.15	($0.30)
Adjusted Diluted Loss per Share*	($0.58)	($0.61)	($0.28)	$0.03	($0.30)

*Detailed schedule included in Non-GAAP Schedules in Appendix.

SAO Segment Summary

Q2 OPERATING RESULTS	Q2-22	Q2-21	Q1-22	vs Q2-21	vs Q1-22
Pounds ('000)	43,248	38,602	43,008	4,646	240
Net Sales ($M)	330.8	300.4	331.9	30.4	(1.1)
Sales ex. Surcharge ($M)	251.6	251.6	258.2	0.0	(6.6)
Operating Loss ($M)	(20.3)	(11.6)	(5.9)	(8.7)	(14.4)
% of Net Sales	*-6.1%*	*-3.9%*	*-1.8%*	*-2.2%*	*-4.3%*
% of Sales ex. Surcharge	*-8.1%*	*-4.6%*	*-2.3%*	*-3.5%*	*-5.8%*

Q2 business results

- Sales excluding surcharge decreased 3% sequentially on relatively flat volumes
- Short-term operational challenges including COVID-19 isolations at key work centers, hiring challenges, supply chain disruptions, and the press outage at the Reading facility
- $1.5 million of COVID-19 related costs incurred in Q2-22 ($3.2 million in Q2-21, $1.3 million in Q1-22)

Q3-22 outlook

- Demand continues to improve with backlogs and activity levels increasing with broader Aerospace recovery in 2H-22
- Expect Reading press to be back online before the end of Q3-22
- Continue to focus on maximizing throughput in key flow paths, to keep pace with growing demand
- Q3-22 operating results expected to be in range of $0 million to operating loss of $5 million

PEP Segment Summary

Q2 OPERATING RESULTS					
	Q2-22	Q2-21	Q1-22	vs Q2-21	vs Q1-22
Pounds* ('000)	2,776	1,534	2,372	1,242	404
Net Sales ($M)	85.7	54.8	74.6	30.9	11.1
Sales ex. Surcharge ($M)	83.8	54.1	73.6	29.7	10.2
Operating Income (Loss) ($M)	3.0	(7.2)	0.6	10.2	2.4
% of Net Sales	*3.5%*	*-13.1%*	*0.8%*	*16.6%*	*2.7%*
% of Sales ex. Surcharge	*3.6%*	*-13.3%*	*0.8%*	*16.9%*	*2.8%*

Q2 business results

- Sales excluding surcharge increased 55% year-over-year due to increased demand driven by Titanium materials used in Aerospace and Medical applications
- Improving demand conditions and cost benefits of Additive reorganization drove year-over-year improvement in operating results

Q3-22 outlook

- Demand patterns expected to continue to increase
- Ongoing focus on operating cost discipline while increasing staff levels to take advantage of improving demand conditions
- Q3-22 operating income expected to be in range of $4 million to $5 million

* Pounds includes only Dynamet and Additive businesses

Free Cash Flow Summary

Inventory growth in 1H-22; expect reduction in 2H-22 as production rates increase with growing demand; total liquidity remains healthy

$ millions	Q1-22	Q2-22	6 MOS FY22	6 MOS FY21
Net Income (Loss) + Non-Cash Items	**11**	**(5)**	**6**	**1**
Inventory	(67)	(43)	(110)	156
Working Capital / Other	9	(41)	(32)	20
Total Net Working Capital / Other	(58)	(84)	(142)	176
Pension Plan Contributions	-	-	-	(5)
Net Cash (Used for) Provided from Operating Activities	**(47)**	**(89)**	**(136)**	**172**
Purchases of Property, Plant, Equipment and Software	(14)	(19)	(34)	(60)
Proceeds from Disposals of Property, Plant & Equipment and Assets Held for Sale	-	2	2	2
Proceeds from Divestiture of Business	-	-	-	20
Dividends Paid	(10)	(10)	(20)	(20)
Free Cash Flow *	**(71)**	**(116)**	**(188)**	**114**

Cash	213	97
Available Borrowing Under Credit Facility	295	295
Total Liquidity	**508**	**392**

The clerical accuracy of certain amounts may be impacted due to rounding.
*Detailed schedule included in Non-GAAP Schedules in Appendix.

2nd QUARTER FISCAL YEAR 2022 CLOSING COMMENTS

Tony Thene | President and Chief Executive Officer

Positioned For Growth With Improving Demand Across End-Use Markets

- Continue to see demand increase across end-use markets with strong, long-term outlook
- Several long-term contracts renewed in Aerospace and Defense end-use market demonstrating robust long-term outlook
- On track to complete repairs to Reading press in Q3-22; able to pull forward planned maintenance, reducing downtime in future quarters
- Implementing the Carpenter Operating Model and working to address short-term labor challenges to increase production
- Expect inventory reduction in 2H-22 with positive impact on cash flow to maintain healthy liquidity position
- Soft magnetics capabilities and additive manufacturing platform continue to provide long-term growth opportunities

Focused on Customer Relationships and Operational Excellence to Meet Growing Demand Across End-Use Markets

APPENDIX OF NON-GAAP SCHEDULES

Non-GAAP Schedules

Adjusted diluted loss per share

$ millions, except per-share amounts	Q2-22	Q2-21	Q1-22
Diluted Loss per Share	**($0.61)**	**($1.76)**	**($0.31)**
Net Loss	(29.4)	(84.9)	(14.8)
Special Items, net of tax:			
COVID-19 costs	1.4	3.0	0.9
Goodwill impairment	-	52.7	-
Special Items, net of tax:	1.4	55.7	0.9
Net Loss Excluding Special Items	**(28.0)**	**(29.2)**	**(13.9)**
Adjusted Diluted Loss per Share	**($0.58)**	**($0.61)**	**($0.28)**

Management believes that loss per share adjusted to exclude the impact of special items 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 operating margin, excluding surcharge revenue and special items

$ millions	Q2-22	Q2-21	Q1-22
Net sales	396.0	348.8	387.6
Less: surcharge revenue	81.1	49.4	74.7
Net sales excluding surcharge revenue	**314.9**	**299.4**	**312.9**
Operating loss	**(31.5)**	**(89.0)**	**(19.1)**
Special items:			
COVID-19 costs	1.7	3.9	1.6
Goodwill impairment	-	52.8	-
Special Items	1.7	56.7	1.6
Operating Loss Excluding Special Items	**(29.8)**	**(32.3)**	**(17.5)**
Operating Margin	**-8.0%**	**-25.5%**	**-4.9%**
Adjusted Operating Margin Excluding Surcharge Revenue and Special Items	**-9.5%**	**-10.8%**	**-5.6%**

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

Free cash flow

$ millions	Q1-22	Q2-22	6 MOS FY22	6 MOS FY21
Net Cash (Used for) Provided from Operating Activities	(47.0)	(89.2)	(136.3)	171.6
Purchases of Property, Plant, Equipment and Software	(14.4)	(19.1)	(33.4)	(59.9)
Proceeds from Disposals of Property, Plant & Equipment and Assets Held for Sale	-	1.8	1.8	1.5
Proceeds from Divestiture of Business	-	-	-	20.0
Dividends Paid	(9.8)	(9.8)	(19.7)	(19.5)
Free Cash Flow	**(71.2)**	**(116.3)**	**(187.6)**	**113.7**

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.

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

Today's Performance,
Tomorrow's Breakthroughs™

Your trusted partner in innovation.

Carpenter Technology Corporation (NYSE: CRS) is a global leader in high-performance specialty alloy-based materials and process solutions for critical applications in the aerospace, defense, medical, transportation, energy, industrial and consumer electronics markets.

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