January 25, 2024

CARPENTER TECHNOLOGY CORPORATION

2nd Quarter Fiscal Year 2024
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 fiscal year ended June 30, 2023, Form 10-Q for the fiscal quarter ended September 30, 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 and interest 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) the inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (18) the 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; 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 and the war between Israel and HAMAS, and Houthi attacks on commercial shipping vessels and other naval vessels 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

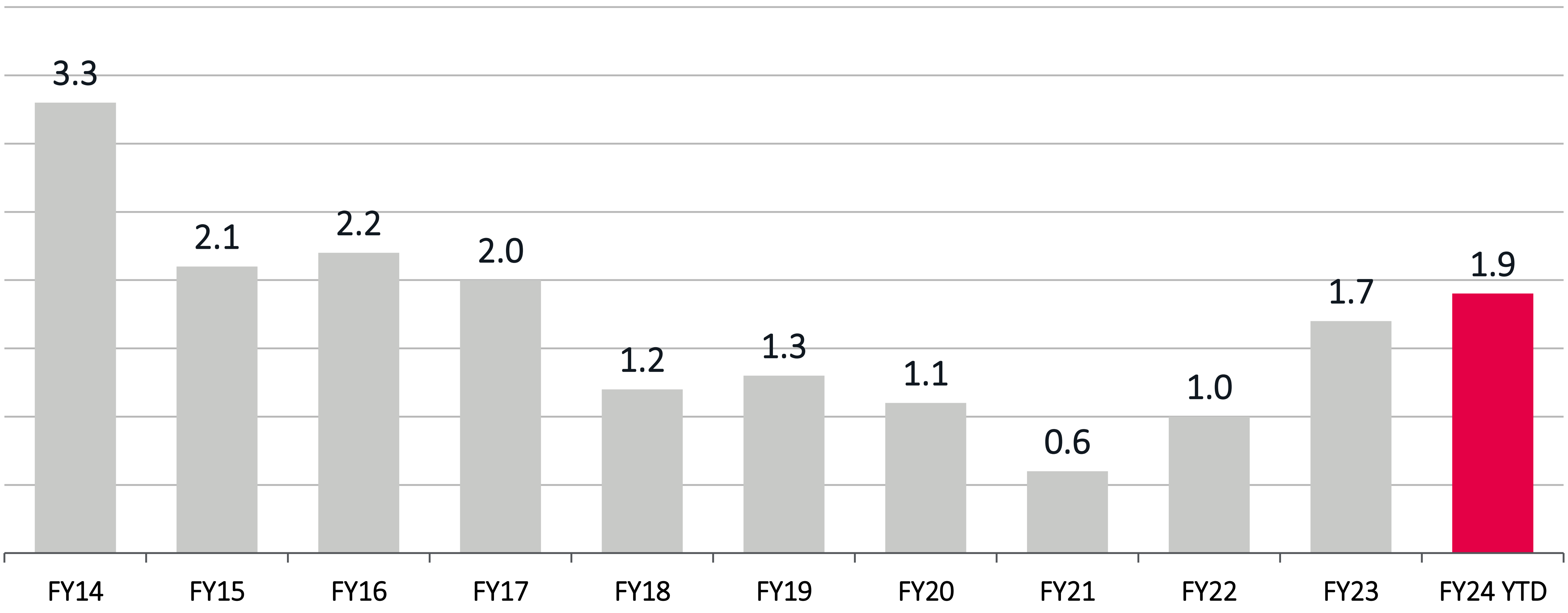
Financial information included in this presentation is unaudited. Some of the information included in this presentation is derived from Carpenter Technology's consolidated financial information but is not presented in Carpenter Technology's financial statements prepared in accordance with U.S. Generally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

2nd QUARTER FISCAL YEAR 2024

Tony Thene | President and Chief Executive Officer

Safety is Our Highest Value

Total case incident rate



Second Quarter Summary

- Delivered operating income of $69.8 million, demonstrating continued strong performance
- Exceeded expectations in SAO segment with operating income of $83.3 million, realizing adjusted operating margin of 20.0%
- Generated $14.6 million of cash from operations; total liquidity remains healthy at $350.1 million
- Realized opportunities to accelerate growth and improve profitability through higher productivity, optimizing product mix and higher selling prices
- Continued to see strong demand for our unique portfolio of solutions across end-use markets, with backlog at record levels

Delivered another strong quarter, building momentum with improved operating performance and expanding margins

Second Quarter Sales

MARKET	Q2-24 NET SALES EX. SURCHARGE ($M)*	VS. Q1-24	VS. Q2-23
AEROSPACE & DEFENSE	$246.7	-5%	+23%
MEDICAL	$73.0	+10%	+16%
TRANSPORTATION	$26.8	-8%	-2%
ENERGY	$36.8	+26%	+63%
INDUSTRIAL & CONSUMER	$80.2	+1%	+2%

Strong demand environment continues to provide support for expanded profitability outlook

- Volume and sales remained relatively flat sequentially; continuing to unlock incremental capacity to drive further volume and sales growth in 2H FY24
- Aerospace and Defense sales slightly down following strong Q1 performance; expect robust growth in second half of fiscal year 2024
- Medical continues to grow in healthy demand environment
- Energy sales are up on strong demand for premium solutions

*Excludes sales through Carpenter's Distribution businesses.

2nd QUARTER FISCAL YEAR 2024 FINANCIAL OVERVIEW

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

$ millions, except per-share amounts	Q2-24	Q1-24	Q2-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds (‘000)	49,082	50,228	50,500	(1,146)	(1,418)
Net Sales	624.2	651.9	579.1	(27.7)	45.1
Net Sales ex. Surcharge Revenue*	485.3	492.8	420.8	(7.5)	64.5
Gross Profit	122.6	124.1	70.0	(1.5)	52.6
Selling, General and Administrative Expenses	52.8	55.1	47.4	(2.3)	5.4
Operating Income	69.8	69.0	22.6	0.8	47.2
*Adjusted Operating Margin ex. Surcharge Revenue**	*14.4%*	*14.0%*	*5.4%*	*0.4%*	*9.0%*
Effective Tax Rate	22.6%	16.1%	19.5%	6.5%	3.1%
Net Income	42.7	43.9	6.2	(1.2)	36.5
Diluted Earnings per Share	$0.85	$0.88	$0.13	($0.03)	$0.72

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

SAO Segment Summary

$ millions	Q2-24	Q1-24	Q2-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	50,114	49,992	49,442	122	672
Net Sales	549.4	570.1	495.8	(20.7)	53.6
Net Sales ex. Surcharge Revenue*	416.2	417.3	346.2	(1.1)	70.0
Operating Income	83.3	80.8	30.3	2.5	53.0
*Adjusted Operating Margin ex. Surcharge Revenue**	*20.0%*	*19.4%*	*8.8%*	*0.6%*	*11.2%*

Q2-24 Business Results

- Net sales excluding surcharge increased 20% year-over-year on 1% higher shipment volume driven by strong demand for high value products in key end-use markets of Aerospace and Defense and Medical
- Operating margin improvement demonstrates continuing product mix optimization, improving productivity and realization of higher prices

Q3-24 Outlook

- Demand conditions remain strong across end-use markets, especially Aerospace and Defense and Medical, with customers wanting more material sooner
- Realize benefits of increasing productivity and optimizing capacity for higher-value product mix
- Q3-24 operating income expected to be in the range of $87 million to $91 million

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

PEP Segment Summary

$ millions	Q2-24	Q1-24	Q2-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)*	2,318	2,302	2,978	16	(660)
Net Sales	95.7	101.8	106.7	(6.1)	(11.0)
Net Sales ex. Surcharge Revenue**	87.9	93.1	98.0	(5.2)	(10.1)
Operating Income	7.1	9.1	9.3	(2.0)	(2.2)
*Adjusted Operating Margin ex. Surcharge Revenue***	*8.1%*	*9.8%*	*9.5%*	*-1.7%*	*-1.4%*

Q2-24 Business Results

- Net sales excluding surcharge decreased 6% sequentially and 10% year-over-year
- Operating income decreased approximately $2 million year-over-year and sequentially

Q3-24 Outlook

- Remain focused on increasing productivity and throughput rates across manufacturing facilities to support strong demand for titanium solutions and Additive powders
- Q3-24 operating income expected to be in the range of $9 million to $10 million

*Pounds includes only Dynamet and Additive businesses.
**Detailed schedule included in Non-GAAP Schedules in Appendix.

Adjusted Free Cash Flow Summary

$ millions	Q2-24	Q1-24	6 MOS FY24	6 MOS FY23
Net Income + Non-Cash Items	83.9	90.0	173.8	80.9
Inventory	(89.7)	(67.8)	(157.5)	(226.7)
Working Capital / Other	20.5	(10.2)	10.4	(18.7)
Total Net Working Capital / Other	(69.2)	(78.0)	(147.1)	(245.4)
Pension Plan Contributions	(0.1)	(4.6)	(4.8)	—
Net Cash Provided from (Used for) Operating Activities	14.6	7.4	21.9	(164.5)
Purchases of Property, Plant, Equipment and Software	(25.3)	(22.0)	(47.3)	(31.0)
Adjusted Free Cash Flow*	(10.7)	(14.6)	(25.4)	(195.5)
Cash	15.7	18.1	15.7	20.0
Available Borrowing Under Credit Facility	334.4	348.3	334.4	217.0
Total Liquidity	350.1	366.4	350.1	237.0

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

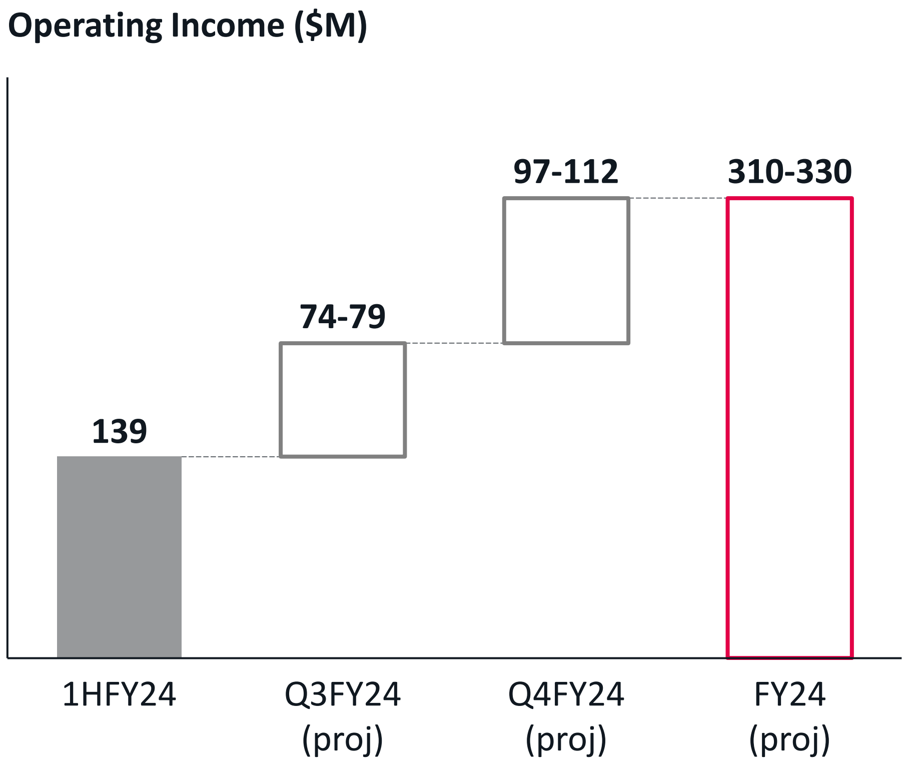
*Detailed schedule included in Non-GAAP Schedules in Appendix.

2nd QUARTER FISCAL YEAR 2024 OUTLOOK

Tony Thene | President and Chief Executive Officer

Strong Near-Term Growth Outlook

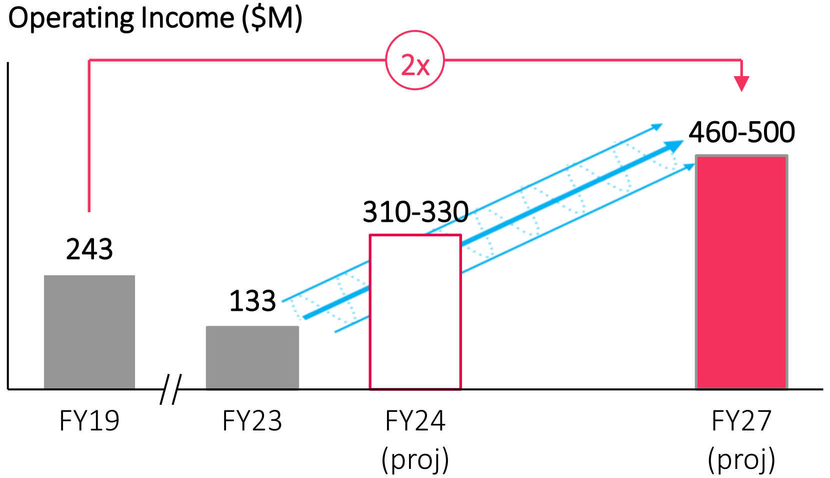
Projecting $171 million to $191 million in operating income performance in 2H FY24, in line with previous guidance



- Strong operating performances in Q1 and Q2 set second best first half on record
- Building momentum each quarter with increasing productivity and expanding operating margins
- Driving step-change in Q4 with productivity improvements and available incremental capacity
- Projecting $171 million to $191 million of operating income in second half of FY24
- Projecting $310 million to $330 million of operating income for FY24; would achieve most profitable year on record

Compelling Long-Term Goal with ~50% of Target Expected in FY24

Continued progress towards goal of doubling FY19 operating income by FY27



- Target represents 40% CAGR in operating income from FY23 to FY27
- Annual achievement towards FY27 target front-end loaded, with about 50% of the opportunity expected in FY24
- Progression of productivity gains could accelerate goal attainment
- Further growth beyond FY27 goal anticipated

Drivers of Carpenter Technology value proposition

- Commitment to Strategy
- Consistency of Performance
- Sustainable Market Strength
- Unique Set of Capabilities and Assets
- Attractive Growth Outlook

APPENDIX OF NON-GAAP SCHEDULES

Non-GAAP Schedules

Adjusted Operating Margin ex. Surcharge Revenue

$ millions	Q2-24	Q1-24	Q2-23
Net Sales	624.2	651.9	579.1
Less: Surcharge Revenue	138.9	159.1	158.3
Net Sales ex. Surcharge Revenue	485.3	492.8	420.8
Operating Income	69.8	69.0	22.6
Operating Margin	11.2%	10.6%	3.9%
Adjusted Operating Margin ex. Surcharge Revenue	14.4%	14.0%	5.4%

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.

Non-GAAP Schedules

Adjusted Segment Operating Margin ex. Surcharge Revenue

$ millions	SAO Q2-24	SAO Q1-24	SAO Q2-23	PEP Q2-24	PEP Q1-24	PEP Q2-23
Net Sales	549.4	570.1	495.8	95.7	101.8	106.7
Less: Surcharge Revenue	133.2	152.8	149.6	7.8	8.7	8.7
Net Sales ex. Surcharge Revenue	416.2	417.3	346.2	87.9	93.1	98.0
Operating Income	83.3	80.8	30.3	7.1	9.1	9.3
Operating Margin	*15.2%*	*14.2%*	*6.1%*	*7.4%*	*8.9%*	*8.7%*
Adjusted Operating Margin ex. Surcharge Revenue	*20.0%*	*19.4%*	*8.8%*	*8.1%*	*9.8%*	*9.5%*

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 Free Cash Flow

$ millions	Q2-24	Q1-24	6 MOS FY24	6 MOS FY23
Net Cash Provided from (Used for) Operating Activities	14.6	7.4	21.9	(164.5)
Purchases of Property, Plant, Equipment and Software	(25.3)	(22.0)	(47.3)	(31.0)
Adjusted Free Cash Flow	(10.7)	(14.6)	(25.4)	(195.5)

Management believes that the adjusted 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. Historically, this non-GAAP financial measure included cash used for dividends paid on outstanding common stock and participating securities. Management believes that excluding cash dividends paid from adjusted free cash flow will provide a more direct comparison to operating cash flow, a GAAP-defined financial measure. Fiscal year 2023 has been reclassified to conform to the current presentation.

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

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.

For additional information, please contact your nearest sales office:

info@cartech.com | 610 208 2000

carpentertechnology.com