May 1, 2024

CARPENTER TECHNOLOGY CORPORATION

3rd 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 quarters ended September 30, 2023, and December 31, 2023, and the exhibits attached to such 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 ability of suppliers to meet obligations due to supply chain disruptions or otherwise; (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; 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, 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

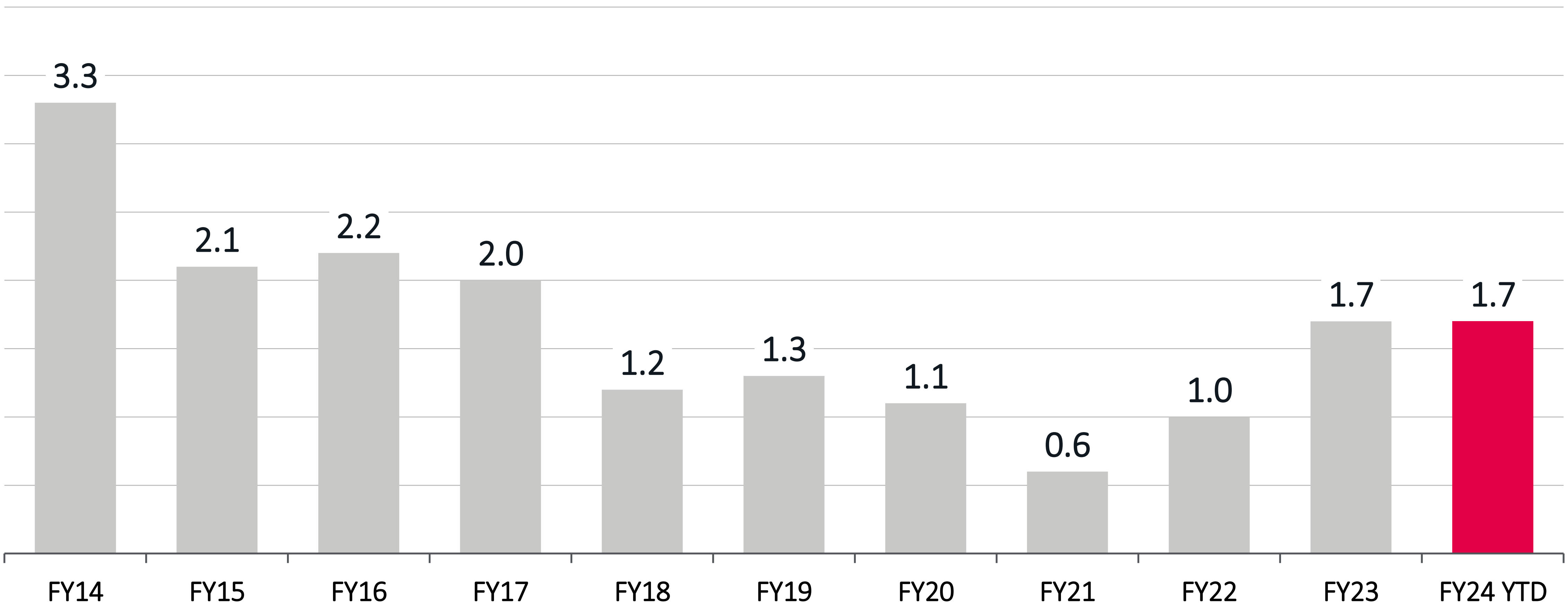
Financial information included in this presentation is unaudited. Some of the information included in this presentation is derived from Carpenter Technology's consolidated financial information but is not presented in Carpenter Technology's financial statements prepared in accordance with U.S. Generally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

3rd QUARTER
FISCAL YEAR 2024

Tony Thene | President and Chief Executive Officer

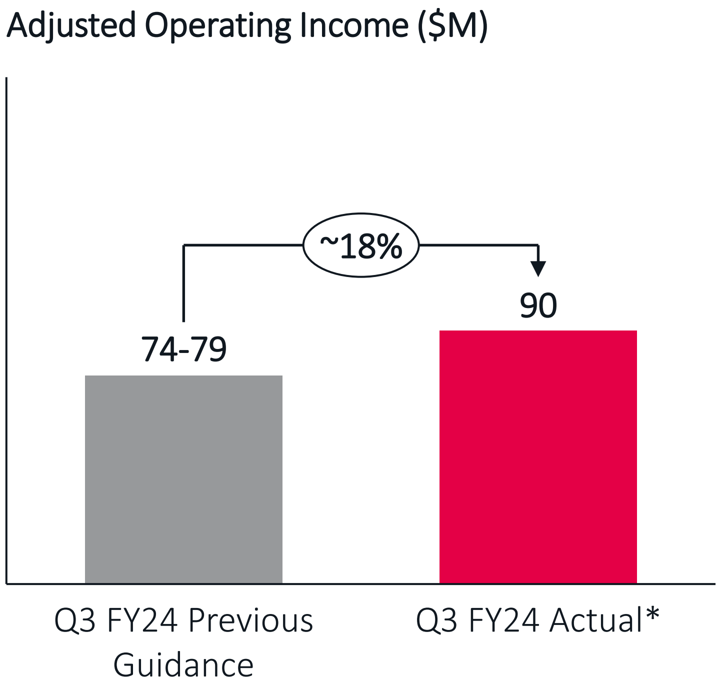
Safety is Our Highest Value

Total case incident rate

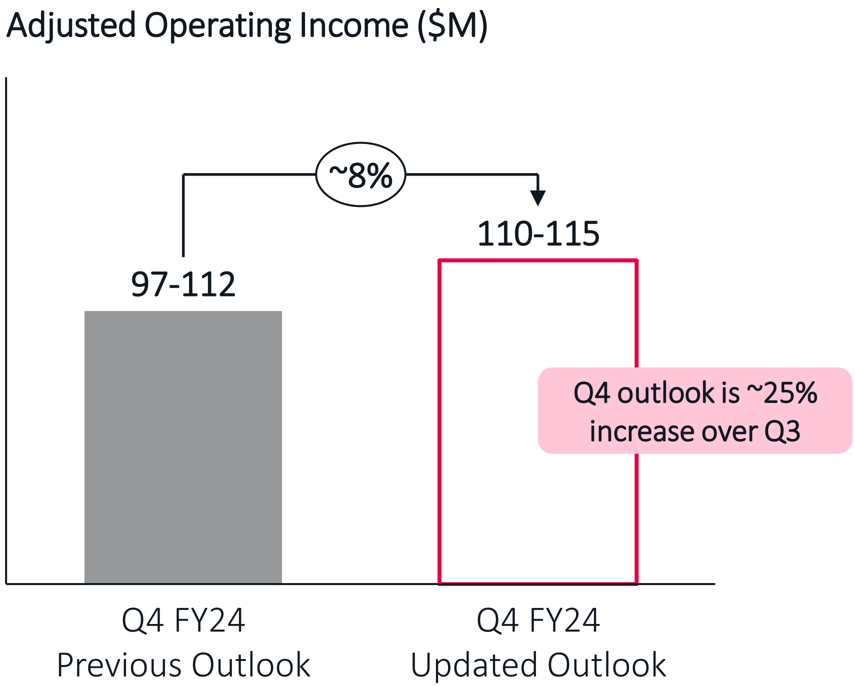


Performance: Beat Q3 FY24 Guidance; Raising Q4 FY24 Outlook

Beat Q3 FY24 guidance by ~18% with improved operating performance and expanding margins



Raising Q4 FY24 outlook by ~8%, building on operating momentum from Q3 FY24



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

Third Quarter Summary

- Delivered record adjusted operating income of $90.0 million, up 29% sequentially and 129% year-over-year, outperforming third quarter outlook
- Exceeded expectations in SAO segment with operating income of $103.5 million, realizing adjusted operating margin of 21.4%
- Generated $61.9 million of adjusted free cash flow
- Accelerated growth with higher volumes sequentially and improved mix, primarily in Aerospace and Defense and Medical end-use markets
- Continued to see strong demand for our unique portfolio of solutions across end-use markets, with backlog at record levels

Exceeded expectations with accelerated growth through expanding margins and improved productivity

Third Quarter Sales

MARKET	Q3-24 NET SALES EX. SURCHARGE ($M)*	% NET SALES EX. SURCHARGE	VS. Q2-24
AEROSPACE & DEFENSE	$315.1	57%	+28%
MEDICAL	$84.2	15%	+15%
TRANSPORTATION	$26.3	5%	-2%
ENERGY	$27.8	5%	-24%
INDUSTRIAL & CONSUMER	$77.1	14%	-4%

Optimizing mix for profitability in strong demand environment

- Sales up 14% sequentially on higher volumes, improving mix and pricing actions
- Aerospace and Defense and Medical end-use markets increased sales with improved primary melt output
- Energy sales down after strong second quarter, with mix-shift back to Aerospace material; continue to see strong demand
- Strong bookings across end-use markets continue, with backlog at record levels

3rd QUARTER
FISCAL YEAR 2024
FINANCIAL OVERVIEW

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

$ millions, except per share amounts	Q3-24	Q2-24	Q3-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds (‘000)	50,208	49,082	57,302	1,126	(7,094)
Net Sales	684.9	624.2	690.1	60.7	(5.2)
Net Sales ex. Surcharge Revenue*	553.8	485.3	491.5	68.5	62.3
Gross Profit	147.0	122.6	93.5	24.4	53.5
Selling, General and Administrative Expenses	57.0	52.8	54.2	4.2	2.8
Operating Income	75.9	69.8	39.3	6.1	36.6
Special Item included in Operating Income	14.1	—	—	14.1	14.1
Operating Income ex. Special Item*	90.0	69.8	39.3	20.2	50.7
*Adjusted Operating Margin ex. Surcharge Rev. and Special Item**	*16.3%*	*14.4%*	*8.0%*	*1.9%*	*8.3%*
Effective Tax Rate	37.6%	22.6%	22.5%	15.0%	15.1%
Net Income	6.3	42.7	18.6	(36.4)	(12.3)
Diluted Earnings per Share	$0.12	$0.85	$0.38	($0.73)	($0.26)
Adjusted Diluted Earnings per Share ex. Special Items*	$1.19	$0.85	$0.38	$0.34	$0.81

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

SAO Segment Summary

$ millions	Q3-24	Q2-24	Q3-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	50,846	50,114	56,516	732	(5,670)
Net Sales	608.5	549.4	603.4	59.1	5.1
Net Sales ex. Surcharge Revenue*	483.0	416.2	411.5	66.8	71.5
Operating Income	103.5	83.3	49.0	20.2	54.5
*Adjusted Operating Margin ex. Surcharge Revenue**	*21.4%*	*20.0%*	*11.9%*	*1.4%*	*9.5%*

Q3-24 Business Results

- Record quarterly operating income results on growing sales and expanding margins
- Net sales excluding surcharge increased 16% sequentially on higher shipment volume with strong demand for high value products in Aerospace and Defense and Medical end-use markets
- Continued to build operating margin momentum with increased productivity, improving product mix and higher price realization

Q4-24 Outlook

- Demand conditions remain strong across end-use markets, especially Aerospace and Defense and Medical
- Realize benefits of increasing productivity and optimizing capacity for higher-value product mix
- Q4-24 operating income expected to be in the range of $124 million to $127 million

CARPENTER TECHNOLOGY

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

PEP Segment Summary

$ millions	Q3-24	Q2-24	Q3-23	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)*	2,618	2,318	3,232	300	(614)
Net Sales	102.4	95.7	115.1	6.7	(12.7)
Net Sales ex. Surcharge Revenue**	94.6	87.9	103.8	6.7	(9.2)
Operating Income	9.2	7.1	10.2	2.1	(1.0)
*Adjusted Operating Margin ex. Surcharge Revenue***	*9.7%*	*8.1%*	*9.8%*	*1.6%*	*(0.1%)*

Q3-24 Business Results

- Net sales excluding surcharge increased 8% sequentially and decreased 9% year-over-year
- Operating income increased $2.1 million sequentially and decreased $1.0 million year-over-year

Q4-24 Outlook

- Remain focused on increasing productivity and throughput rates across manufacturing facilities to support strong demand for titanium solutions
- Q4-24 operating income expected to be in the range of $9.5 million to $11.0 million

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

Adjusted Free Cash Flow Summary

$ millions	Q3-24	Q2-24	Q1-24	9 MOS FY24	9 MOS FY23
Net Income + Non-Cash Items	109.7	83.9	90.0	283.5	141.5
Inventory	1.8	(89.7)	(67.8)	(155.6)	(213.5)
Working Capital / Other	(28.0)	20.5	(10.2)	(17.6)	(88.2)
Total Net Working Capital / Other	(26.2)	(69.2)	(78.0)	(173.2)	(301.7)
Pension Plan Contributions	(0.1)	(0.1)	(4.6)	(4.9)	—
Net Cash Provided from (Used for) Operating Activities	83.4	14.6	7.4	105.4	(160.2)
Purchases of Property, Plant, Equipment and Software	(21.6)	(25.3)	(22.0)	(68.9)	(51.5)
Proceeds from Disposals of Property, Plant and Equipment	0.1	—	—	0.1	—
Adjusted Free Cash Flow*	61.9	(10.7)	(14.6)	36.6	(211.7)

Cash	53.5	15.7	18.1	53.5	22.3
Available Borrowing Under Credit Facility	348.8	334.4	348.3	348.8	189.6
Total Liquidity	402.3	350.1	366.4	402.3	211.9

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

3rd QUARTER FISCAL YEAR 2024 OUTLOOK

Tony Thene | President and Chief Executive Officer

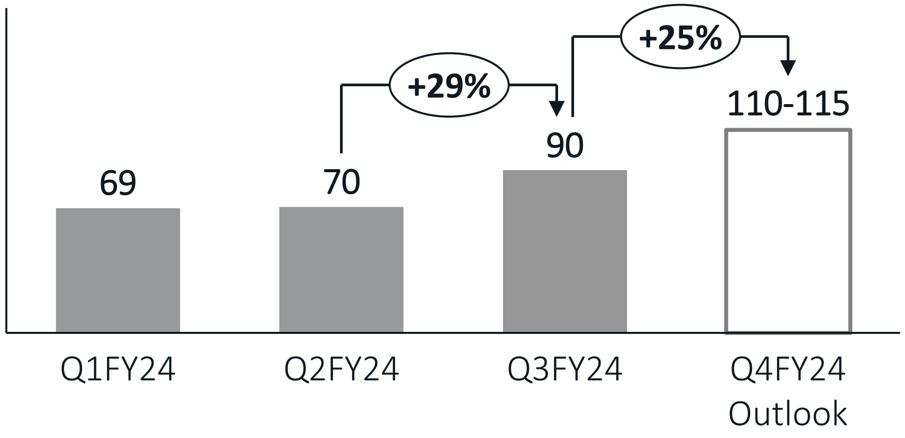
Drivers of Carpenter Technology Value Proposition

Commitment to Strategy	Sustainable Market Strength	Unique Set of Capabilities and Assets	Consistency of Performance	Attractive Growth Outlook
• 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 • Qualified into high growth, high value applications • High growth in Aerospace and Defense and Medical end-use markets	• Difficult to replicate system of unique manufacturing assets • Customer and industry qualifications to ensure highest quality • Strengthening and expanding set of assets and capabilities to further elevate value	• Consistently achieving and exceeding external targets communicated • Driving increased productivity across operations while ensuring safety and quality • Volume, price and product mix optimization driving margin benefits	• Accelerating progress towards goal to double operating income vs. FY19 • Further growth anticipated beyond FY27 goal • Cash generation creates significant shareholder value

Pulling Forward FY27 Goal With Accelerating Earnings Growth Through Multiple Initiatives

Building momentum each quarter with increasing productivity and expanding operating margins

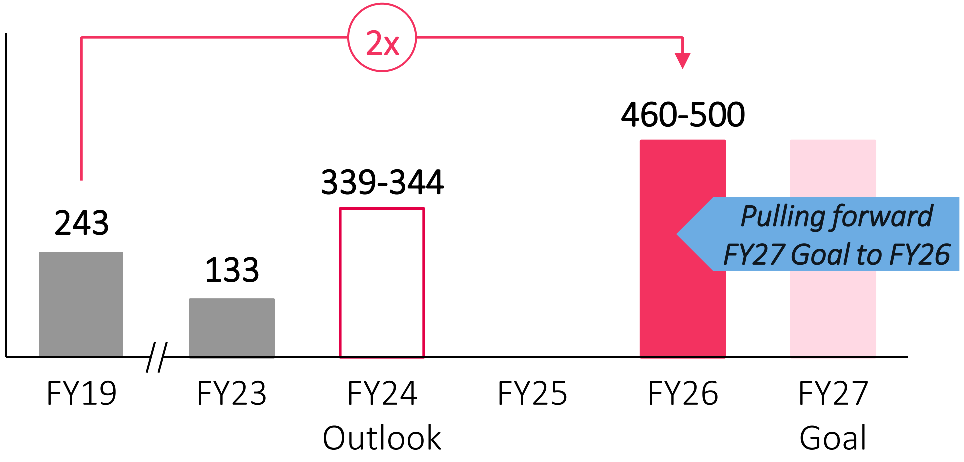
Adjusted Operating Income* ($M)



- Rapidly accelerating quarterly earnings growth
- Q3 FY24 adjusted operating income of $90 million up 29% sequentially and an all-time quarterly record
- Projecting 25% increase in adjusted operating income in Q4 FY24 over Q3 FY24, which would result in another record quarter

Pulling forward FY27 goal with accelerating earnings growth

Adjusted Operating Income ($M)



- Projecting $339 million to $344 million of adjusted operating income for FY24, an increase over previous guidance
- Approximately 60% of growth expected to be realized in year one of original four year goal
- Pulling forward FY27 goal one year to FY26

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

APPENDIX OF NON-GAAP SCHEDULES

Non-GAAP Schedules

Adjusted Operating Margin ex. Surcharge Revenue and Special Item

$ millions	Q3-24	Q2-24	Q3-23
Net Sales	684.9	624.2	690.1
Less: Surcharge Revenue	131.1	138.9	198.6
Net Sales ex. Surcharge Revenue	553.8	485.3	491.5
Operating Income	75.9	69.8	39.3
Special Item:			
Goodwill Impairment	14.1	—	—
Adjusted Operating Income ex. Special Item	90.0	69.8	39.3
Operating Margin	11.1%	11.2%	5.7%
Adjusted Operating Margin ex. Surcharge Revenue and Special Item	16.3%	14.4%	8.0%

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 ex. Surcharge Revenue

$ millions	SAO Q3-24	SAO Q2-24	SAO Q3-23	PEP Q3-24	PEP Q2-24	PEP Q3-23
Net Sales	608.5	549.4	603.4	102.4	95.7	115.1
Less: Surcharge Revenue	125.5	133.2	191.9	7.8	7.8	11.3
Net Sales ex. Surcharge Revenue	483.0	416.2	411.5	94.6	87.9	103.8
Operating Income	103.5	83.3	49.0	9.2	7.1	10.2
Operating Margin	*17.0%*	*15.2%*	*8.1%*	*9.0%*	*7.4%*	*8.9%*
Adjusted Operating Margin ex. Surcharge Revenue	*21.4%*	*20.0%*	*11.9%*	*9.7%*	*8.1%*	*9.8%*

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 Diluted Earnings Per Share

$ millions, except per share amounts	Q3-24	Q2-24	Q3-23
Diluted Earnings per Share	$0.12	$0.85	$0.38
Net Income	6.3	42.7	18.6
Special Items, net of tax:			
Goodwill Impairment	14.1	—	—
Pension Settlement Charge	39.5	—	—
Special Items, net of tax:	53.6	—	—
Net Income Excluding Special Items	59.9	42.7	18.6
Adjusted Diluted Earnings per Share Excluding Special Items	$1.19	$0.85	$0.38

Management believes that earnings (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 Free Cash Flow

$ millions	Q3-24	Q2-24	Q1-24	9 MOS FY24	9 MOS FY23
Net Cash Provided from (Used for) Operating Activities	83.4	14.6	7.4	105.4	(160.2)
Purchases of Property, Plant, Equipment and Software	(21.6)	(25.3)	(22.0)	(68.9)	(51.5)
Proceeds from Disposals of Property, Plant and Equipment	0.1	—	—	0.1	—
Adjusted Free Cash Flow	61.9	(10.7)	(14.6)	36.6	(211.7)

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.

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