



SHAPE WHAT  
MATTERS FOR  
TOMORROW™

HILLENBRAND

# Investor Presentation

August 2023

# Disclosure Regarding Forward-Looking Statements

Throughout this presentation, we make a number of “forward-looking statements,” including statements regarding the proposed acquisition (the “Proposed Transaction”) by the Company of the Schenck Process Food and Performance Materials (“FPM”) business, such as statements about the timing and other anticipated benefits of the Proposed Transaction that are within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and that are intended to be covered by the safe harbor provided under these sections. As the words imply, these are statements about future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases, ability to meet deleveraging goals, and other measures of financial performance or potential future plans or events, strategies, objectives, beliefs, prospects, assumptions, expectations, and projected costs or savings or transactions of the Company that might or might not happen in the future, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand’s expectations and projections.

Words that could indicate that we are making forward-looking statements include the following:

intend	believe	plan	expect	may	goal	would	project	position
become	pursue	estimate	will	forecast	continue	could	anticipate	remain
target	encourage	promise	improve	progress	potential	should	impact	

This is not an exhaustive list, but is intended to give you an idea of how we try to identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

**Here is the key point:** Forward-looking statements are not guarantees of future performance or events, and actual results or events could differ materially from those set forth in any forward-looking statements. Any number of factors, many of which are beyond our control, could cause our performance to differ significantly from what is described in the forward-looking statements. These factors include, but are not limited to: global market and economic conditions, including those related to the financial markets; the impact of contagious diseases, such as the outbreak of the novel strain of coronavirus (“COVID-19”) and the escalation thereof due to variant strains of the virus and the societal, governmental, and individual responses thereto, including supply chain disruptions, loss of contracts and/or customers, erosion of some customers’ credit quality, downgrades of the Company’s credit quality, closure or temporary interruption of the Company’s or its suppliers’ manufacturing facilities, travel, shipping and logistical disruptions, domestic and international general economic conditions, such as inflation, exchange rates and interest rates, loss of human capital or personnel, and general economic calamities; risks related to the Russian Federation’s invasion of Ukraine and resulting geopolitical instability and uncertainty, which have had and could continue to have a negative impact on our ability to sell to, ship products to, collect payments from, and support customers in certain regions, in addition to the potential effect of supply chain disruptions that could adversely affect profitability; the risk of business disruptions associated with information technology, cyber-attacks, or catastrophic losses affecting infrastructure; the risk that regulatory approvals required for the Proposed Transaction delay the Proposed Transaction or cause the parties to abandon the Proposed Transaction, or that obtaining any such regulatory approvals results in the imposition of conditions, limitations, or restrictions that adversely affect the Company or FPM; the risk that other conditions to the completion of the Proposed Transaction are not satisfied on a timely basis or at all; uncertainties as to the timing of the Proposed Transaction and the risk that the Proposed Transaction may not be completed in a timely manner or at all; uncertainties as to the Company’s access to available financing for the Proposed Transaction on a timely basis and on reasonable terms; the possibility of unanticipated costs or liabilities associated with the Proposed Transaction; risks related to diversion of management attention of FPM from its ongoing business operations due to the Proposed Transaction or its announcement or pendency; risks associated with contracts containing consent and/or other provisions that may be triggered by the Proposed Transaction; the impact of the announcement or pendency of the Proposed Transaction on the Company’s or FPM’s ability to retain and hire key personnel; the risk of litigation relating to the Proposed Transaction; the possibility that the integration of FPM with the Company’s current operations will be more costly or difficult than expected or may otherwise be unsuccessful; negative effects of the Proposed Transaction (including its announcement or pendency), the Linxis Group SAS (“Linxis”) acquisition or other acquisitions on the Company’s business, financial condition, results of operations and financial performance (including the ability of the Company to maintain relationships with its customers, suppliers and others with whom it does business); the possibility that the anticipated benefits from the Proposed Transaction, the Linxis acquisition and other acquisitions, including potential synergies and cost savings, cannot be realized by the Company in full or at all or may take longer to realize than expected, or the failure of the Company or any acquired company to achieve its plans and objectives generally; risks that the integrations of FPM, Linxis or other acquired businesses disrupt current operations or pose potential difficulties in employee retention or otherwise adversely affect financial or operating results; increasing competition for highly skilled and talented workers as well as labor shortages; our level of international sales and operations; the impact of incurring significant amounts of indebtedness and any inability of the Company to respond to changes in its business or make future desirable acquisitions; the ability of the Company to comply with financial or other covenants in debt agreements; cyclical demand for industrial capital goods; impairment charges to goodwill and other identifiable intangible assets; competition in the industries in which we operate, including on price; impacts of decreases in demand or changes in technological advances, laws, or regulation on the revenues that we derive from the plastics industry; our reliance upon employees, agents, and business partners to comply with laws in many countries and jurisdictions; increased costs, poor quality, or unavailability of raw materials or certain outsourced services and supply chain disruptions; the dependence of our business units on relationships with several large customers and providers; the impact to the Company’s effective tax rate of changes in the mix of earnings or tax laws and certain other tax-related matters; exposure to tax uncertainties and audits; involvement in claims, lawsuits and governmental proceedings related to operations; uncertainty in the United States political and regulatory environment or global trade policy; adverse foreign currency fluctuations; labor disruptions; and the effect of certain provisions of the Company’s governing documents and Indiana law that could decrease the trading price of the Company’s common stock. Shareholders, potential investors, and other readers are urged to consider these risks and uncertainties in evaluating forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. For a more in-depth discussion of certain factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Part I, Item 1A of Hillenbrand’s Form 10-K for the year ended September 30, 2022, filed with the Securities and Exchange Commission (“SEC”) on November 16, 2022, and in Part II, Item 1A of Hillenbrand’s Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 3, 2023. The forward-looking information in this presentation speaks only as of the date hereof, and we assume no obligation to update or revise any forward-looking information.



# Q3 Performance Update

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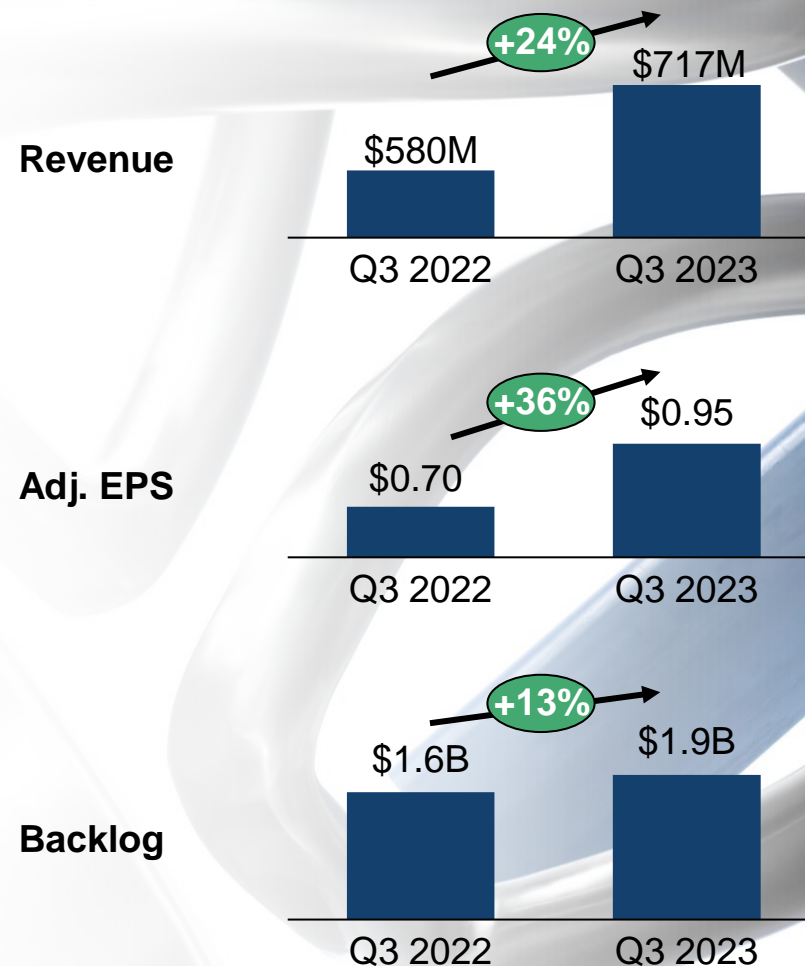


# Q3 Overview

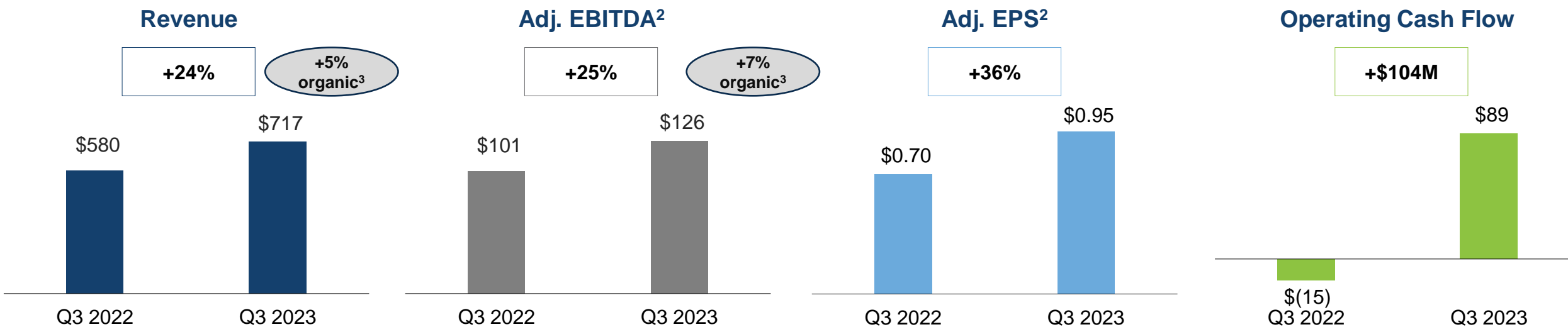
## Q3 2023 Highlights<sup>1,2,3</sup>

- **Revenue up 24% YOY, driven by strong performance by recent acquisitions and robust organic growth in APS**
  - APS backlog remains strong at \$1.6B, up 31% YOY, or 7% organically, with book-to-bill >1 for APS aftermarket and food
- **Adjusted EPS of \$0.95 exceeded expectations, up 36% YOY**
  - APS adjusted EBITDA margin expansion of 60bps
  - MTS adjusted EBITDA margin held flat despite volume headwinds
- **Operating cash flow of \$89 million, up \$104M YOY, with free cash flow conversion of 112% in the quarter**
- **Integrations progressing on-track with customer successes in food processing systems for alternative protein and snack applications**
- **Published 4<sup>th</sup> annual sustainability report in May, disclosing Scope 3 emissions, water usage, and additional progress on reducing emissions; named finalist in Reuters Responsible Business Awards for Purpose launch**

## Q3 2023 Performance Milestones<sup>1,2</sup>



# Q3 Consolidated Performance from Continuing Operations



## Performance Highlights<sup>1,2,3</sup>

- Revenue increased 24% driven by the impact of acquisitions; organic revenue increased 5%, as favorable pricing and higher volume in the Advanced Process Solutions segment was partially offset by lower volume in the Molding Technology Solutions segment
- Adj. EBITDA of \$126 million increased 25%, or 7% on an organic basis, as favorable pricing, productivity improvements, and higher APS volume were partially offset by cost inflation and lower MTS volume; adj. EBITDA margin of 17.6% increased 20 basis points primarily due to favorable pricing and productivity improvements offset by cost inflation
- GAAP EPS of \$0.60 compared to \$0.42 in the prior year; adj. EPS of \$0.95 increased \$0.25, or 36%, as pricing and productivity improvements, the impact of acquisitions, and higher APS volume were partially offset by cost inflation and lower MTS volume
- Operating Cash Flow was a source of cash of \$89 million, an increase of \$104 million vs. prior year, primarily due to favorable timing of working capital

## Business Update<sup>2</sup>

- Strong backlog of \$1.87 billion provides visibility, though customer order timing remains elongated given ongoing macroeconomic uncertainty
- Acquisitions performed above expectations in the quarter for both revenue and margin
- Robust demand for aftermarket and food, which provide balance to more cyclical parts of the portfolio; we saw an increase in customer delays for large plastics projects, though the pipeline remains healthy; demand recovery for MTS, particularly in China, has been slower than expected
- Overall, HI fully offset inflation with price on a dollar-for-dollar basis in the quarter, though the impact to margin remained dilutive
- Closing of Schenck FPM acquisition remains on-track (expected in FQ4); acquisition to provide significant scale in attractive food market

# Business Overview

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# Hillenbrand Today

Founded

**2008**

Market Cap<sup>1</sup>

**~\$3.4B**

Global Locations<sup>2,3</sup>

**60+**

Employees<sup>2</sup>

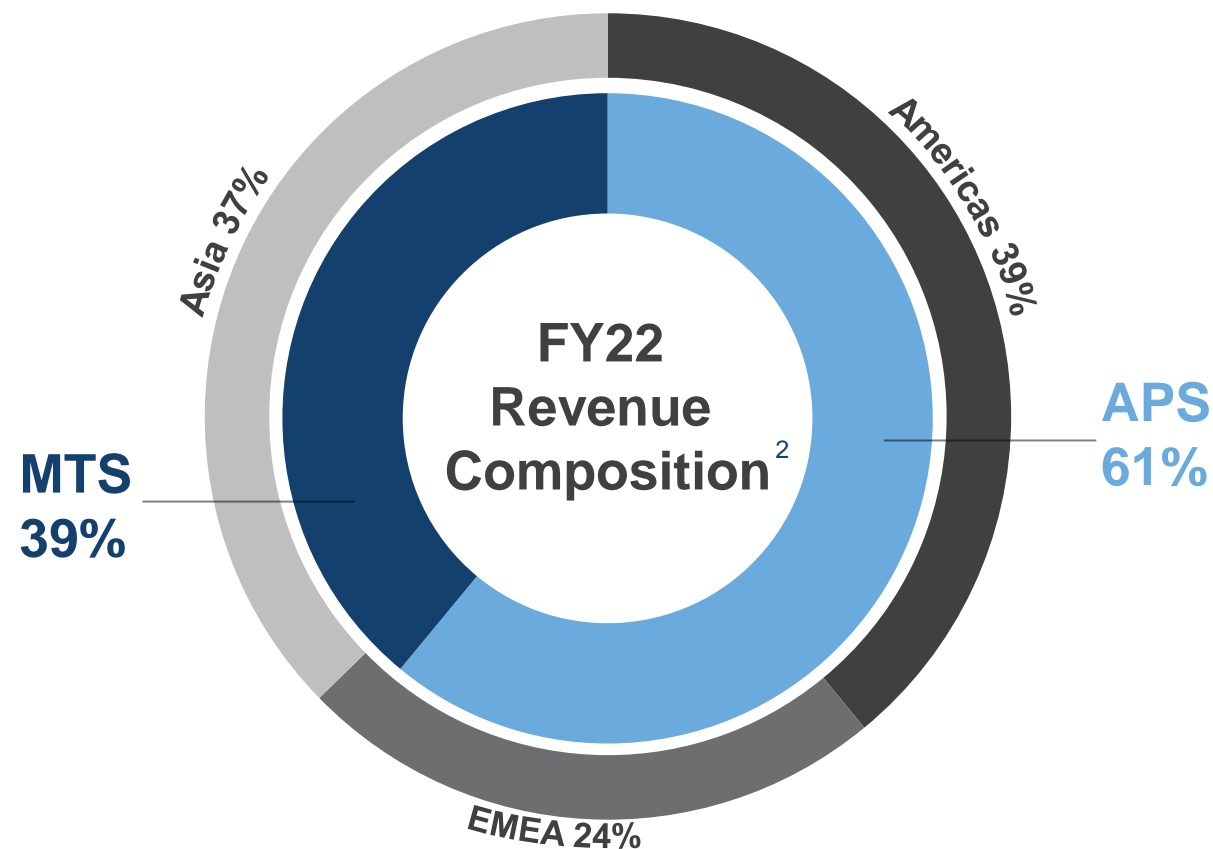
**~9k**

PF Revenue<sup>2</sup>

**\$2.7B**

PF Adj. EBITDA Margin<sup>2</sup>

**17.0%**



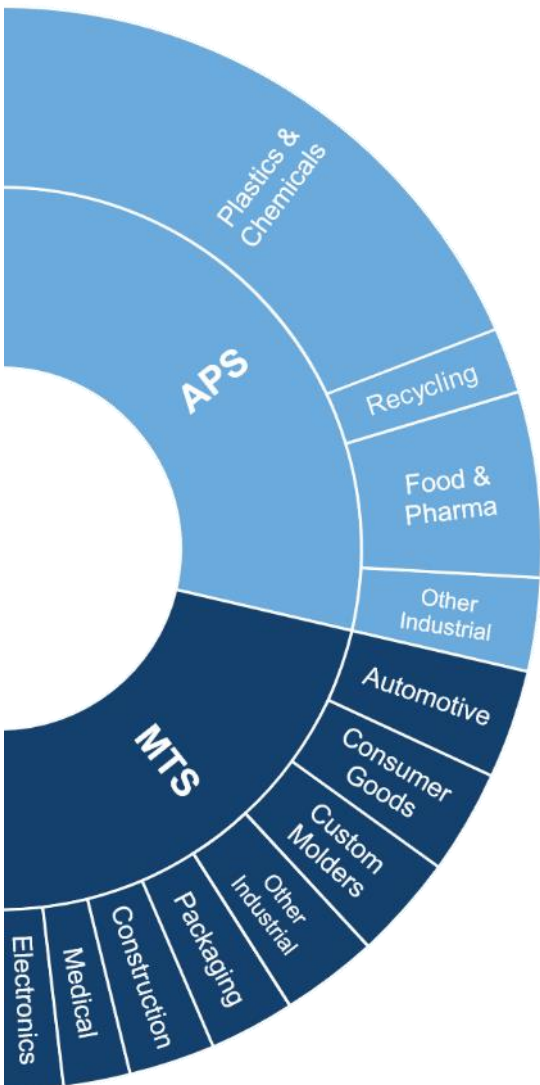
**Global Leader in Highly-Engineered Industrial Processing Equipment and Solutions**

<sup>1</sup> Market cap as of 8/4/2023

<sup>2</sup> All metrics are as of 9/30/2022 and are adjusted for the acquisitions of Herbold, Linxis, Gabler, and Peerless, and exclude Batesville. Pro forma revenue and pro forma adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation. Figures above do not include the pending FPM acquisition.

<sup>3</sup> Includes headquarters, significant manufacturing and sales & service locations.

# Leading Industrial Brands Serving Large, Attractive End Markets



## Advanced Process Solutions

>\$35B TAM<sup>1</sup> | GDP+<sup>1</sup>

Revenue<sup>2</sup> ~\$1.7B  
Adj. EBITDA Margin<sup>2</sup> 18.5%



## Molding Technology Solutions

>\$20B TAM<sup>1</sup> | GDP<sup>1</sup>

Revenue<sup>3</sup> ~\$1.0B  
Adj. EBITDA Margin<sup>3</sup> 20.7%



## Shared Core Strengths & Characteristics

Strong brands with **leadership positions**

**Highly-engineered** and mission-critical solutions

Complementary **processing capabilities** and applications expertise

Common **manufacturing, engineering** and **procurement processes**

Longstanding **customer relationships**

High-margin **aftermarket opportunity**

<sup>1</sup> Total Addressable Market (TAM) and growth rates based on Company estimate

<sup>2</sup> APS metrics are as of 9/30/2022 and are adjusted for the acquisitions of Herbold, Linxis, Gabler, and Peerless. Pro forma revenue and pro forma adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation. Figures above do not include the pending FPM acquisition.

<sup>3</sup> MTS metrics are as of 9/30/2022. Adjusted EBITDA margin is a non-GAAP measure. See appendix for GAAP reconciliation.



# Global Macro Trends Drive Demand for Our Products & Solutions

**Global Macro Trends**









**Expanding Global Middle Class**



**Sustainability**



**Future of Supply Chain**

Opportunities	Our Processing Solutions	
 <p><b>Material substitution for durability, lightweighting, and lower maintenance</b></p>	<p><b>Advanced materials and durable plastics</b></p>	
 <p><b>Safe, healthy and accessible food</b></p>	<p><b>Baked goods, snacks, pet food</b></p>	
 <p><b>Sustainable food sources</b></p>	<p><b>Alternative proteins</b></p>	
 <p><b>Electrification</b></p>	<p><b>Continuous production battery</b></p>	
 <p><b>Recycling; recycled and bio-based content in products</b></p>	<p><b>Mechanical, solvent, and chemical recycling</b></p>	<p><b>Biodegradable and post-consumer recycled plastics</b></p>
 <p><b>Reshoring operations</b></p>	<p><b>Global manufacturing and service capabilities</b></p>	

# Enhancing Performance with Continuous Improvement Culture



## Focus Areas for Value Creation

Innovation and aftermarket growth

Productivity and working capital optimization

Leveraging playbook to integrate and grow acquisitions

Focused on Building Upon Our Proven Track Record of Performance

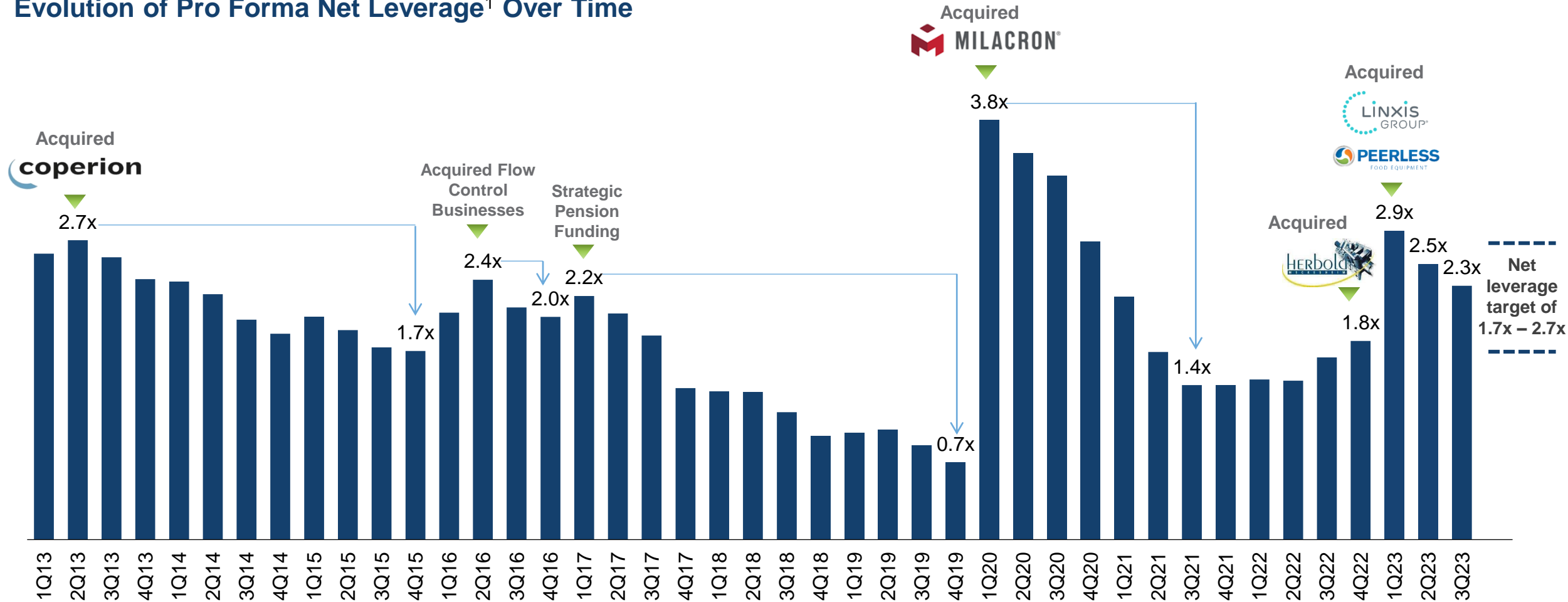
# Disciplined Capital Deployment

	Commentary
<b>Maintain Appropriate Leverage</b> <ul style="list-style-type: none"><li>• Current net debt of \$1.05B with net debt to pro forma adj. EBITDA<sup>1</sup> of 2.3x; expected pro forma net leverage following Schenck FPM acquisition of 3.2x (Q4)</li><li>• Strong track record of reducing leverage post-acquisition</li></ul>	Following closing of Schenck FPM acquisition, targeting to return to net leverage range of 1.7x – 2.7x within 15 months
<b>Reinvest in the Business</b> <ul style="list-style-type: none"><li>• Drive innovation and new product development</li><li>• Expand into new end markets and geographies</li><li>• Improve operational efficiency through automation and digitization</li><li>• Annual capex target of ~2-2.5% of revenue</li></ul>	Strategic investments for profitable growth and operating efficiency
<b>Strategic Acquisitions</b> <ul style="list-style-type: none"><li>• Strategic focus: strong brands with key technologies in attractive end markets</li><li>• Disciplined approach: seek acquisitions with compelling financial returns</li></ul>	Announced acquisition of Schenck FPM for EV of \$730M; transaction expected to close in fiscal Q4
<b>Return Cash to Shareholders</b> <ul style="list-style-type: none"><li>• Dividend yield of 1.7%<sup>2</sup></li><li>• 15 consecutive years of \$0.01 per share increases to dividend</li><li>• Opportunistic share repurchases</li></ul>	Paid dividends of \$15 million during the quarter



# Strong Track Record of De-Leveraging

## Evolution of Pro Forma Net Leverage<sup>1</sup> Over Time



# Hillenbrand's Shareholder Value Equation



<sup>1</sup> Company estimate

<sup>2</sup> Gross productivity, before reinvestment

<sup>3</sup> Free cash flow is a non-GAAP measure. See appendix for GAAP reconciliation.



# Hillenbrand's Transformation

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# Significant Transformation Over the Last 18 Months



Enhancing Portfolio with Leading Brands and Expanded Capabilities in Food and Recycling

# Hillenbrand to Acquire Schenck Process Food and Performance Materials (“FPM”) Business for \$730M<sup>1</sup>

HILLENBRAND



schenckprocess



*Food and Performance Materials*



**Creates significant scale within Food platform**, building upon momentum from Linxis, Peerless, and Gabler acquisitions in 2022



**Expands Hillenbrand’s North American footprint and extends leadership across other key end markets**, including durable plastics and chemicals



**Adds strong brands with complementary technologies to APS segment**, with scale benefits across engineering, manufacturing, and procurement



**Strong recurring aftermarket revenue stream** with long-standing, blue-chip customers



Expected to be **accretive to adjusted EPS** within first full year and deliver **double-digit ROIC** by year 5; **~\$20 million of cost synergies** identified

**Advances Hillenbrand’s Position as a Global Leader in Highly-Engineered, Mission-Critical Processing Equipment and Solutions**

# FPM at a Glance

## Business Highlights<sup>1</sup>

Revenue

**~\$540M**

EBITDA Margin

**~13%**

Aftermarket Mix

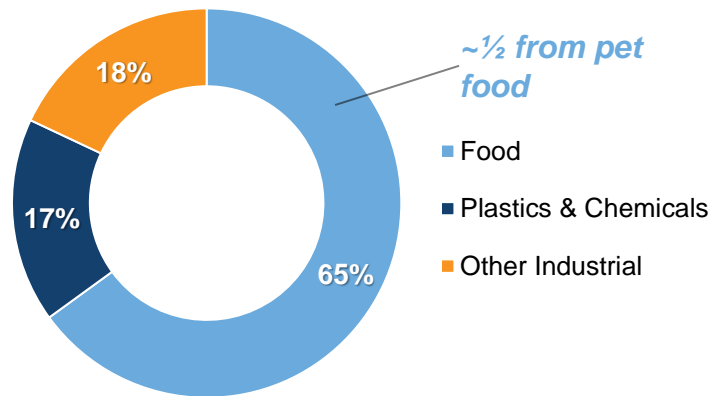
**~30%**

Employees

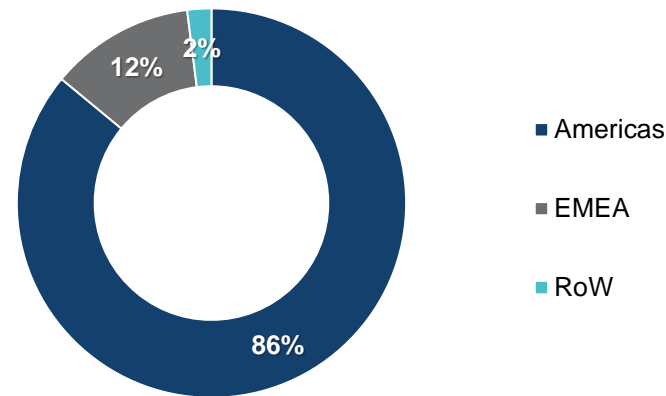
**1,300**

## Business Profile<sup>2</sup>

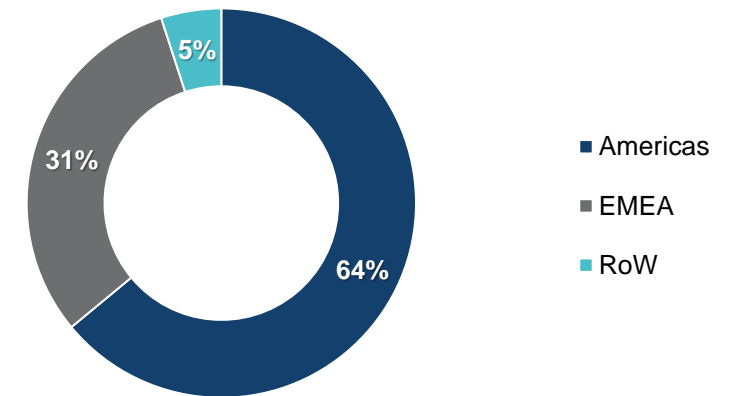
Revenue by End Market



Revenue by Geography



Employees by Geography

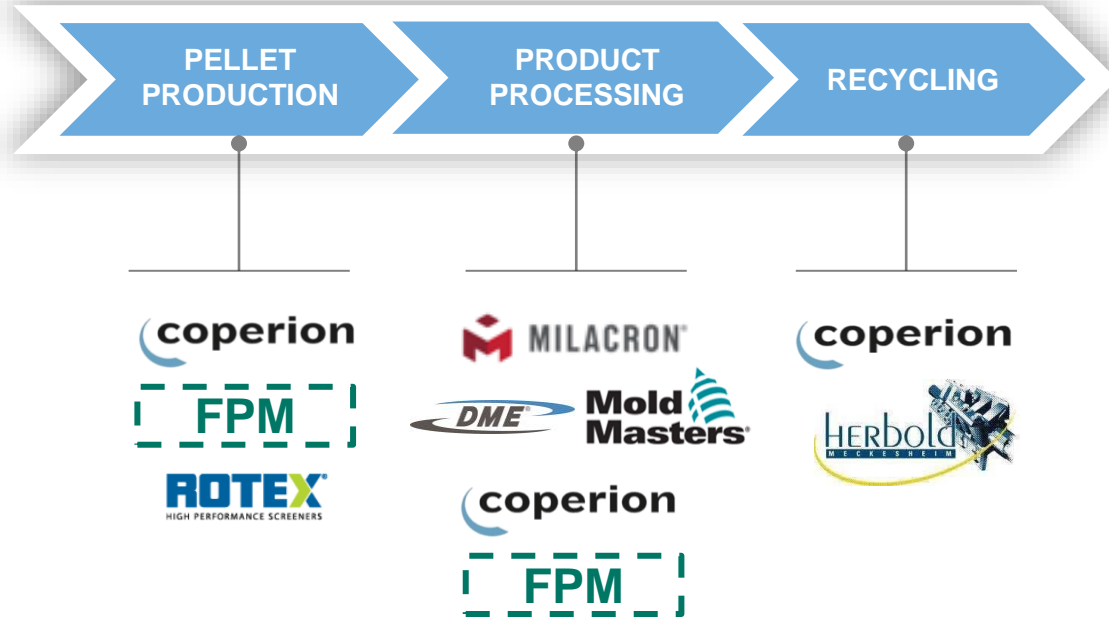


**Global Provider of Highly-Engineered, Mission-Critical Process Technologies and Systems with Strong North American Presence and Significant Scale in Attractive End Markets, Underpinned by Long-Term, Secular Growth Trends**

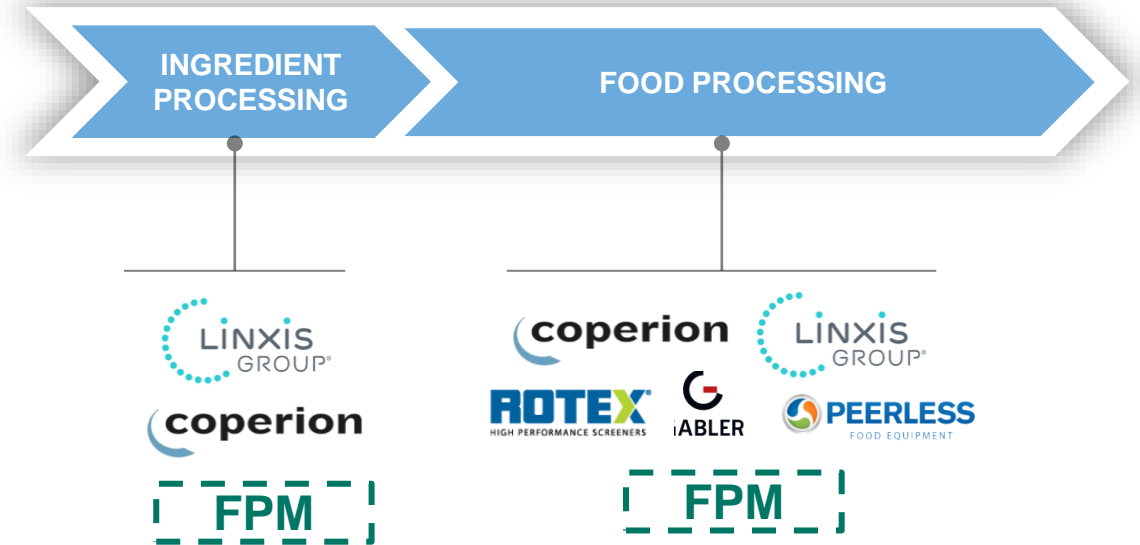


# Transaction Adds Scale Across Plastics and Food Value Chains

## PLASTICS VALUE CHAIN



## FOOD VALUE CHAIN

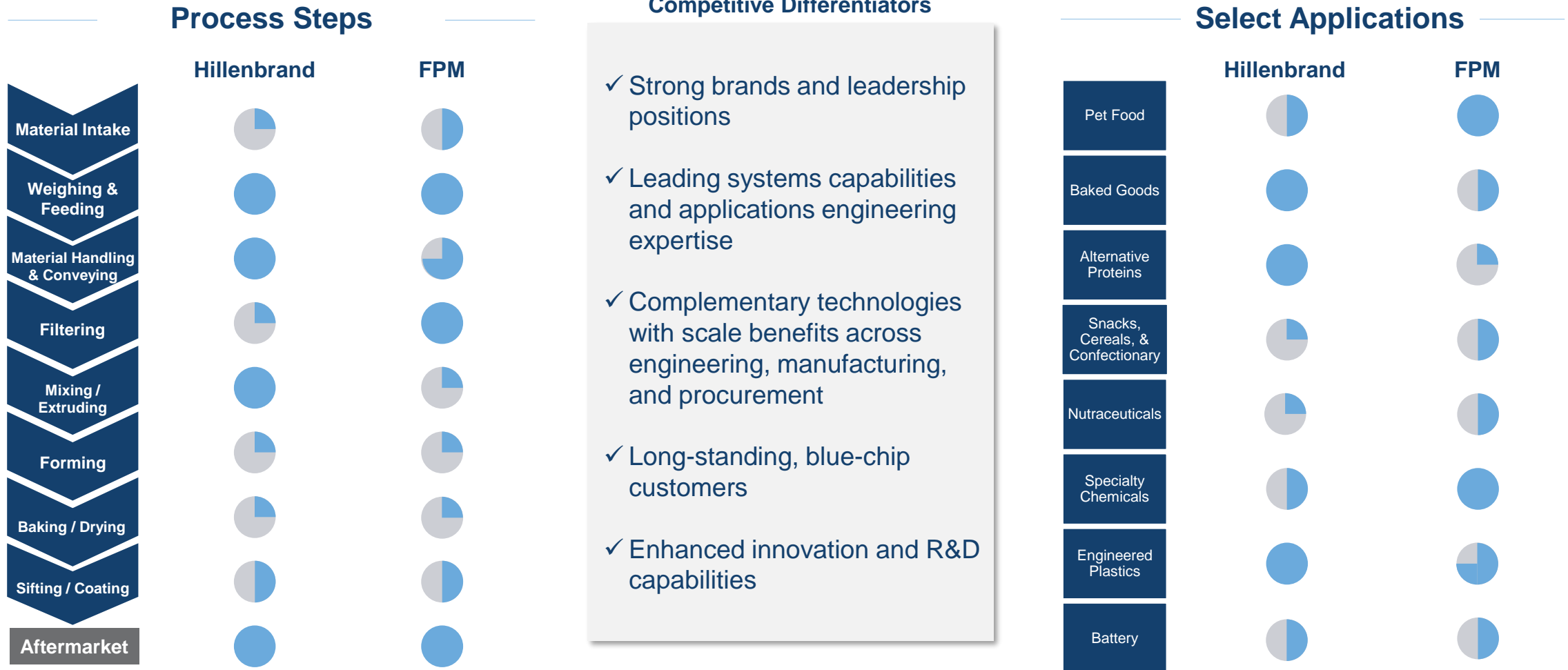


**Complementary processing requirements** allow us to leverage our applications and systems expertise

**Highly-engineered, mission-critical equipment** serving key processing steps

**Deep customer relationships** with strong aftermarket capabilities

# Transaction Expands Our Technological Capabilities and Offerings

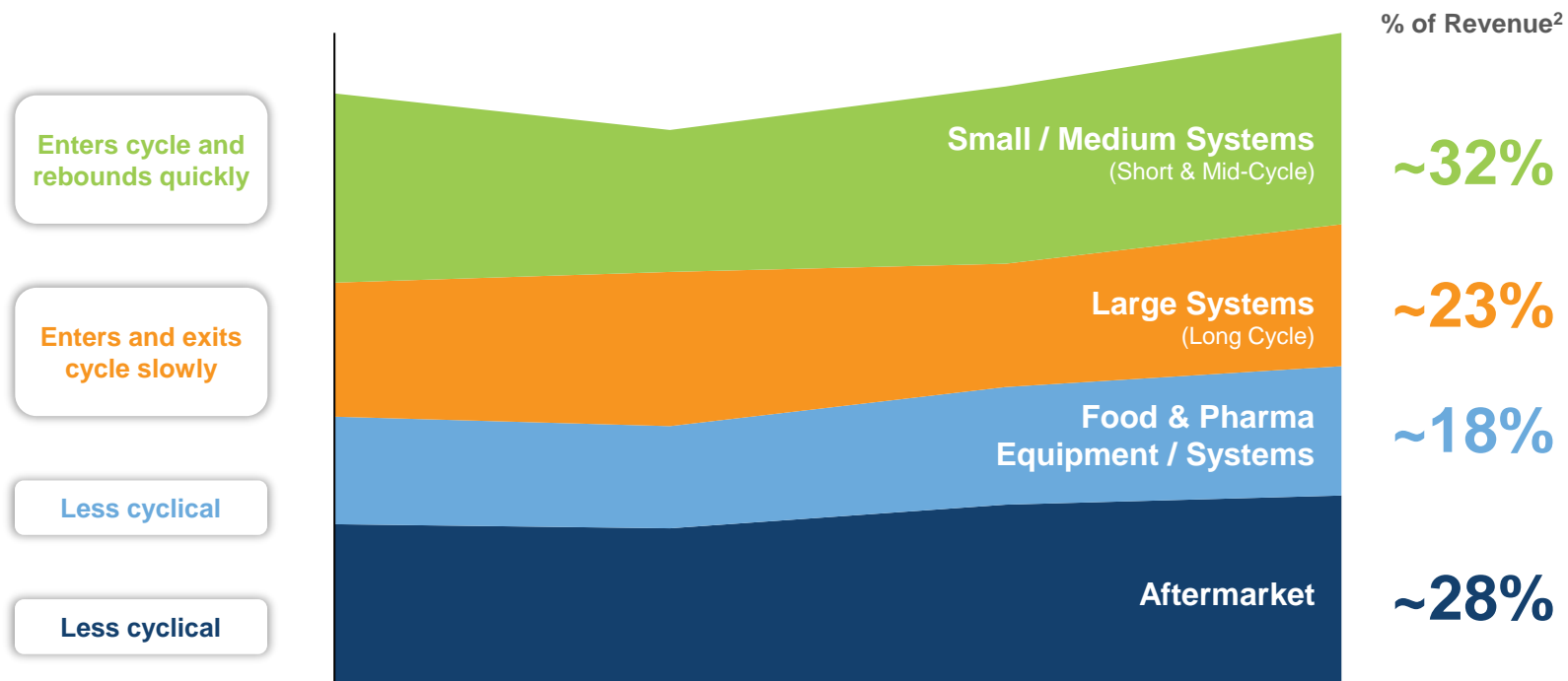


- ✓ Strong brands and leadership positions
- ✓ Leading systems capabilities and applications engineering expertise
- ✓ Complementary technologies with scale benefits across engineering, manufacturing, and procurement
- ✓ Long-standing, blue-chip customers
- ✓ Enhanced innovation and R&D capabilities

# Transaction Reduces Cyclicity Across Our Portfolio

Illustrative HI + FPM Revenue Performance through Economic Cycle<sup>1</sup>

FPM Impact



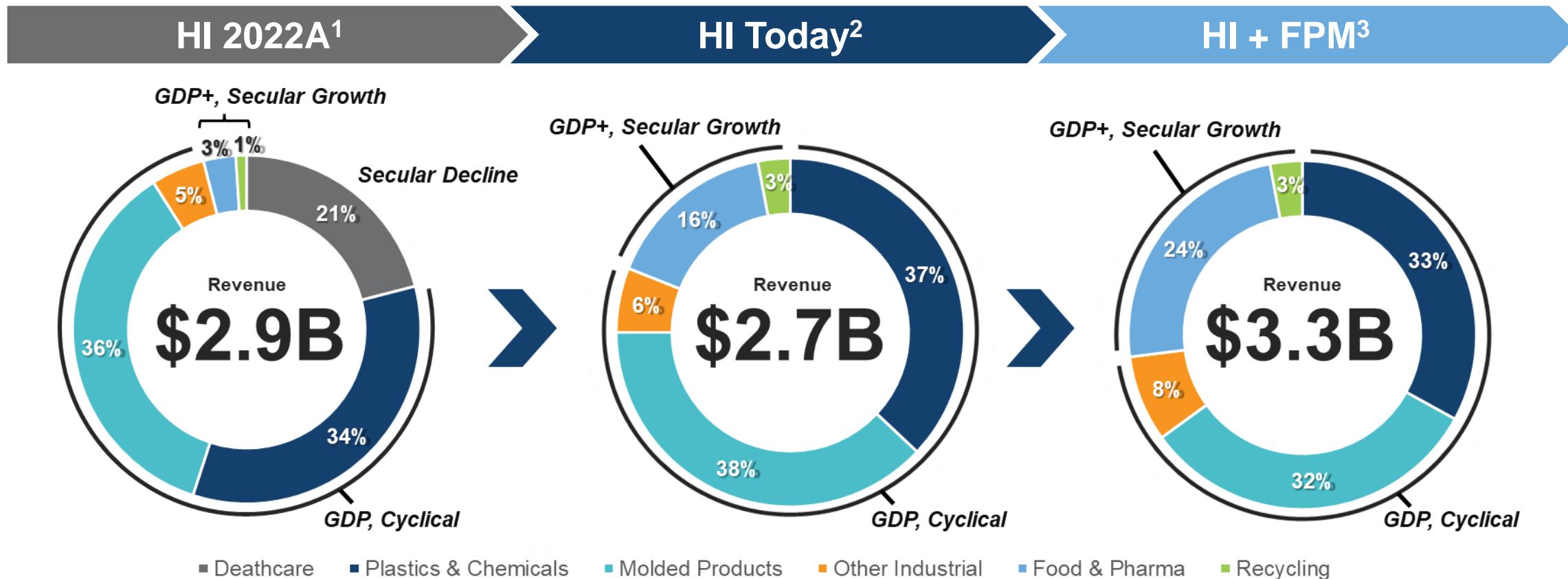
- ✓ **Diversifies business mix** and adds scale in food (pet food, alternative proteins) and aftermarket revenue
- ✓ Enhances **value proposition to long-standing, blue-chip customer base**
- ✓ Both businesses benefit from **strong backlog positions**

Allowing for More Consistent Performance through Economic Cycles

<sup>1</sup> Based on Company estimates.

<sup>2</sup> Based on Hillenbrand's FY22 pro forma revenue giving effect to the acquisitions of Herbold, Linxis, Gabler, and Peerless, and divestiture of Batesville, combined with Company estimate for CY23E revenue from the Food and Performance Materials business. Pro forma revenue is a non-GAAP measure. See appendix for further information and GAAP reconciliation of Hillenbrand's pro forma revenue.

# Schenck FPM to Strengthen Our Pure-Play Industrial Portfolio



**Significant Transformation through Divestiture of Secularly Declining Death Care Segment and Expansion of Secular Growth End Markets of Food and Recycling; FPM Transaction to Close in FQ4**



A blue-tinted photograph of two women in a factory or industrial setting. They are wearing safety glasses and looking at a document held by the woman on the left. The woman on the right is pointing at the document. The background shows industrial structures and yellow railings.

# Operating Segments

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# Advanced Process Solutions (APS)

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# APS at a Glance

## Segment Profile

PF Revenue<sup>1</sup>

**\$1.7B**

PF Adj. EBITDA Margin<sup>1</sup>

**18.5%**

TAM<sup>2</sup>

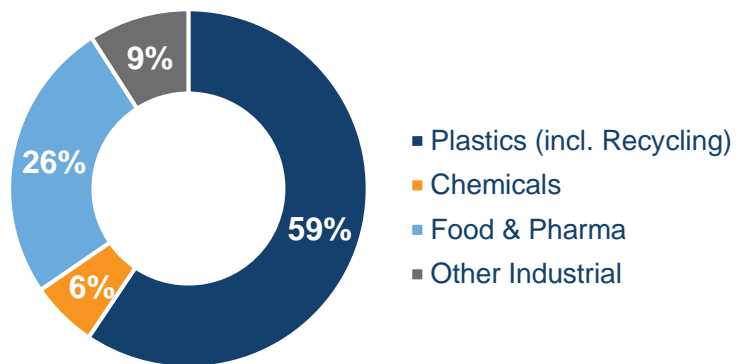
**>\$35B**

Market Growth<sup>2</sup>

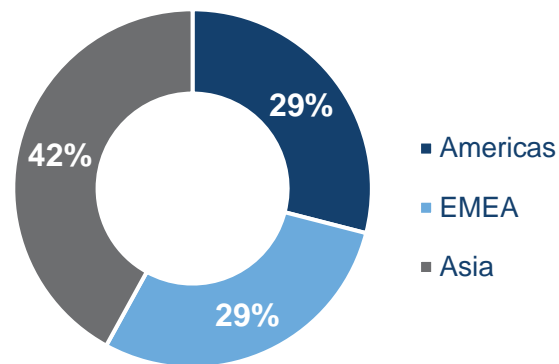
**GDP+**

## Revenue Composition<sup>1</sup>

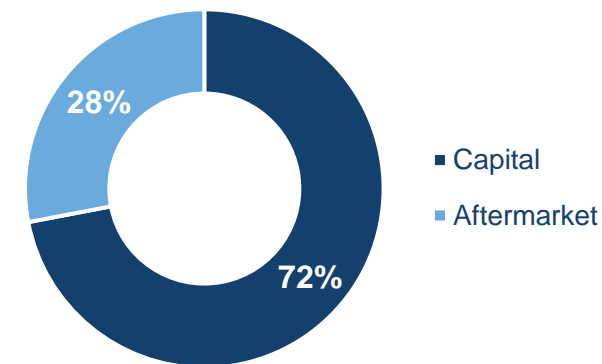
Revenue by End Market



Revenue by Geography



Capital Equipment vs. Aftermarket



**Global Leader in Highly-Engineered Processing Equipment, Systems, and Aftermarket Parts and Service for the Plastics, Food, and Recycling Industries**

# APS Key Differentiators

## Leading Characteristics

- **Portfolio of highly-engineered, mission-critical technologies, including complete systems and subsystems to create enhanced customer solutions**
- **Leading applications expertise to provide innovative product and service solutions to solve customers' challenges**
- **Global engineering and service capabilities to follow capital equipment sales with a suite of related aftermarket offerings**
- **Industry-leading brands recognized by customers**
- **Longstanding relationships with global blue-chip customers**

## Growth Catalysts & Opportunities

- **Macro trends support long-term growth for key industries of durable plastics, food, and recycling**
- **Evolution of durable plastics, including increased requirements for quality and output, drive resilient demand outlook**
- **Accelerating above-market growth through increased aftermarket revenue, product innovation, and strategic acquisitions that build scale and expand capabilities**
- **Deploying the HOM to integrate recent acquisitions and drive synergy realization**





# Molding Technology Solutions (MTS)

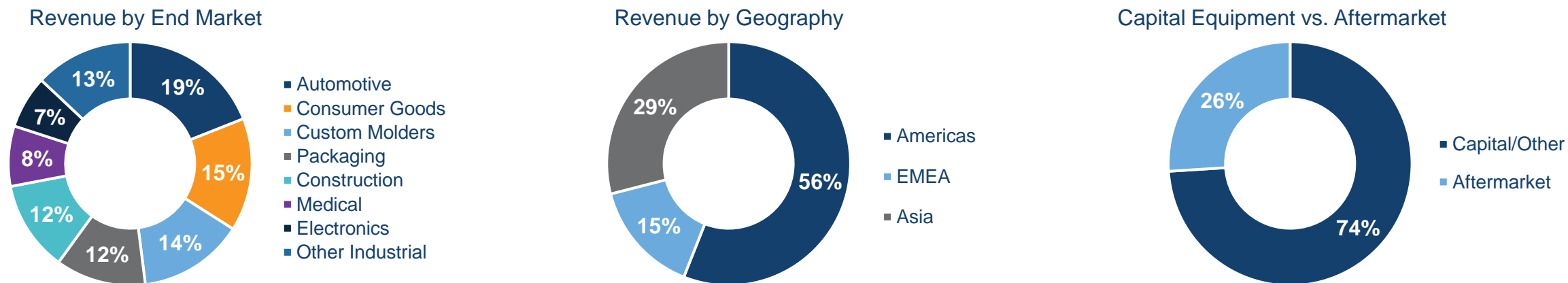
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# MTS at a Glance

## Segment Profile

Revenue <sup>1</sup>	Adj. EBITDA Margin <sup>1</sup>	TAM <sup>2</sup>	Market Growth <sup>2</sup>
<b>\$1.0B</b>	<b>20.7%</b>	<b>&gt;\$20B</b>	<b>GDP</b>

## Revenue Composition<sup>1</sup>



**Global Leader in Highly-Engineered Equipment and Systems and Aftermarket Solutions for the Plastics Processing Industry**

# MTS Key Differentiators

## Leading Characteristics

- **Portfolio of highly-engineered plastics processing technologies and systems, including hot runners, injection molding, and extrusion equipment**
- **Leading applications expertise to provide innovative product and service solutions to solve customers' challenges**
- **Global engineering and service capabilities to follow capital equipment sales with a suite of related aftermarket offerings**
- **Industry-leading brands recognized by customers**
- **Longstanding relationships with global blue-chip customers**

## Growth Catalysts & Opportunities

- **Macro trends support long-term demand for plastics products in key applications, including automotive, packaging, consumer goods, medical, and electronics**
- **Increasing production of products using recycled-content and bio-based materials**
- **Accelerating above-market growth through increased aftermarket revenue, product innovation, and systems sales strategy**
- **Deploying the HOM to drive improved operational and working capital performance**

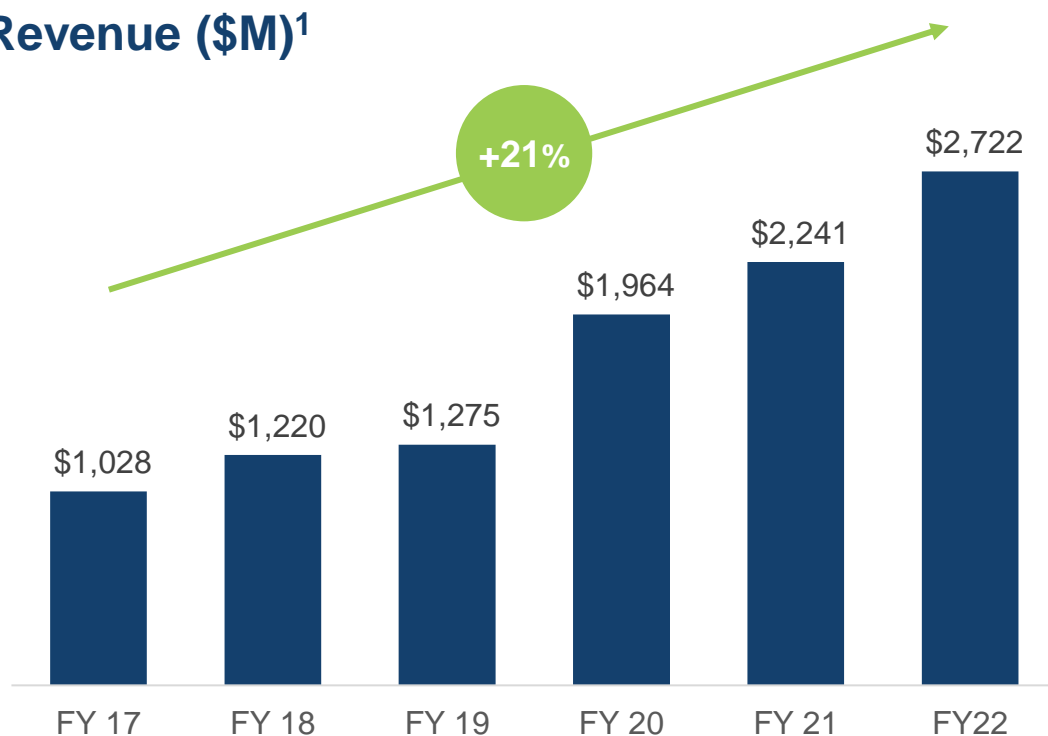
# Financial Highlights

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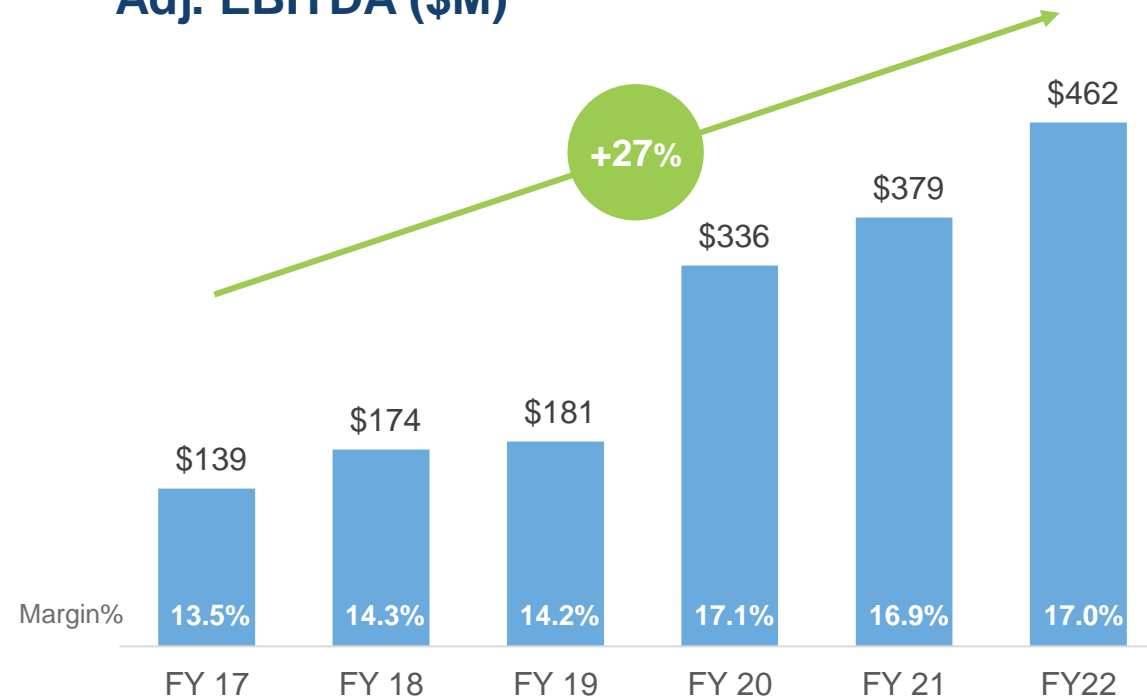


# Strong Track Record of Growth

Revenue (\$M)<sup>1</sup>



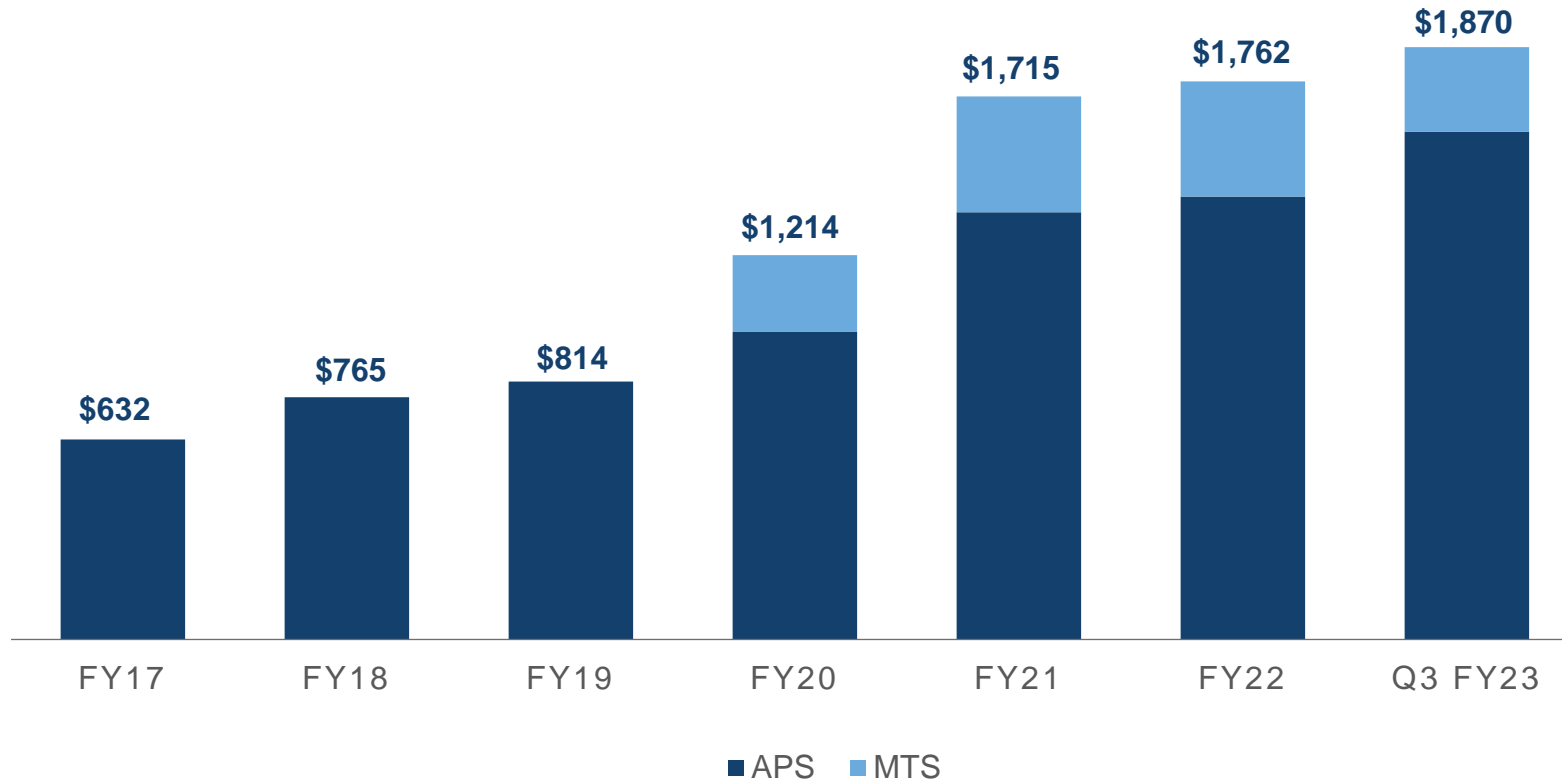
Adj. EBITDA (\$M)<sup>1</sup>



**Strong Performance Driven by HSD Organic Growth and Strategic Acquisitions**

# Robust Backlog Provides Confidence and Visibility

Backlog (\$M)<sup>1</sup>



**Resilient backlog**

**>20% of backlog scheduled beyond 12 months**

**Strong pricing practices in place to deliver price-cost coverage >100%**

# Appendix

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# Disclosure Regarding Non-GAAP Measures

While we report financial results in accordance with United States generally accepted accounting principles (GAAP), we also provide certain non-GAAP operating performance measures. We believe this information provides a higher degree of transparency. These non-GAAP measures are referred to as “adjusted” measures and exclude the following items:

- business acquisition, disposition, and integration costs;
- restructuring and restructuring related charges;
- intangible asset amortization;
- Inventory step-up charges;
- gains and losses on divestitures;
- other individually immaterial one-time costs;
- the related income tax impact for all of these items; and
- certain tax items related to the divestiture of TerraSource, the revaluation of deferred tax balances resulting from fluctuations in currency exchange rates and non-routine changes in tax rates for certain foreign jurisdictions, and the impact that the Molding Technology Solutions reportable operating segment’s loss carryforward attributes have on tax provisions related to the imposition of tax on Global Intangible Low-Taxed Income (GILTI) earned by certain foreign subsidiaries, the Foreign Derived Intangible Income Deduction (FDII), and the Base Erosion and Anti-Abuse Tax (BEAT).

One important non-GAAP measure Hillenbrand uses is adjusted earnings before interest, income tax, depreciation, and amortization (“adjusted EBITDA”). A part of our strategy is to pursue acquisitions that strengthen or establish leadership positions in key markets. Given that strategy, it is a natural consequence to incur related expenses, such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use adjusted EBITDA, among other measures, to monitor our business performance. We also use “adjusted net income” and “adjusted diluted earnings per share (EPS),” which are defined as net income and earnings per share, respectively, each excluding items described in connection with adjusted EBITDA. Adjusted EBITDA, adjusted net income, and adjusted diluted EPS are not recognized terms under GAAP and therefore do not purport to be alternatives to net (loss) income or to diluted EPS, as applicable. Further, Hillenbrand’s measures of adjusted EBITDA, adjusted net income, or adjusted diluted EPS may not be comparable to similarly titled measures of other companies.

Organic revenue and organic adjusted EBITDA are defined respectively as net revenue and adjusted EBITDA excluding net revenue and adjusted EBITDA directly attributable to TerraSource, which was divested on October 22, 2021, as well as recent acquisitions, including Linxis, Herbold Meckesheim, Peerless Food Equipment, and Gabler Engineering, and adjusting for the effects of foreign currency exchange. In addition, the ratio of net debt to pro forma adjusted EBITDA is a key financial measure that is used by management to assess Hillenbrand’s borrowing capacity (and is calculated as the ratio of total debt less cash and cash equivalents to the trailing twelve months pro forma adjusted EBITDA). Hillenbrand uses organic and pro forma measures to assess performance of its reportable operating segments and the Company in total without the impact of recent acquisitions and divestitures and foreign currency exchange.

Free cash flow (“FCF”) is defined as cash flow from operations less capital expenditures. Hillenbrand considers FCF an important indicator of the Company’s liquidity, as well as its ability to fund future growth and to provide a return to shareholders. FCF does not include deductions for debt service (repayments of principal), other borrowing activity, dividends on the Company’s common stock, repurchases of the Company’s common stock, business acquisitions, and other items.

Hillenbrand calculates the foreign currency impact on net revenue, adjusted EBITDA, and backlog in order to better measure the comparability of results between periods. We calculate the foreign currency impact by translating current year results at prior year foreign exchange rates. This information is provided because exchange rates can distort the underlying change in sales, either positively or negatively.

In addition, forward-looking revenue, adjusted EBITDA, adjusted EBITDA margin, free cash flow conversion, and adjusted earnings per share for fiscal 2023 exclude potential charges or gains that may be recorded during the fiscal year, including among other things, items described above in connection with these and other “adjusted” measures. Hillenbrand thus also does not attempt to provide reconciliations of such forward-looking non-GAAP earnings guidance to the comparable GAAP measure, as permitted by Item 10(e)(1)(i)(B) of Regulation S-K, because the impact and timing of these potential charges or gains is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, the Company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of Hillenbrand’s financial performance.

## OTHER OPERATING MEASURES

Other important operational measures used are backlog and book-to-bill ratio. Backlog and book-to-bill ratio are not terms recognized under GAAP; however, both are common measurements used in industries with extended lead times for order fulfillment (long-term contracts), like those in which our reportable operating segments compete. Backlog represents the amount of net revenue that we expect to realize on contracts awarded to our reportable operating segments. For purposes of calculating backlog, 100% of estimated net revenue attributable to consolidated subsidiaries is included. Backlog includes expected net revenue from large systems and equipment, as well as aftermarket parts, components, and service. The length of time that projects remain in backlog can span from days for aftermarket parts or service to approximately 18 to 24 months for larger system sales within the Advanced Process Solutions reportable operating segment. The majority of the backlog within the Molding Technology Solutions reportable operating segment is expected to be fulfilled within the next twelve months. Backlog includes expected revenue from the remaining portion of firm orders not yet completed, as well as net revenue from change orders to the extent that they are reasonably expected to be realized. Hillenbrand includes in backlog the full contract award, including awards subject to further customer approvals, which we expect to result in revenue in future periods. In accordance with industry practice, Hillenbrand’s contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer. Book-to-bill ratio is calculated as orders received in the quarter divided by revenue recognized in the quarter. Given that backlog and book-to-bill ratio are operational measures and that the Company’s methodology for calculating backlog and book-to-bill ratio do not meet the definition of a non-GAAP measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

# Revenue By End Market

(in millions)	Year Ended September 30, 2022			
	As reported <sup>(1)</sup>	Acquisitions <sup>(2)</sup>	Divestiture <sup>(3)</sup>	Current pro forma <sup>(4)</sup>
Plastics and Chemicals	\$ 1,006.2	\$ -	\$ -	\$ 1,006.2
Molded Products	1,045.5	-	-	1,045.5
Food and Pharma	91.1	336.1	-	427.2
Recycling	20.0	70.1	-	90.1
Other Industrial	152.5	-	-	152.5
Deathcare	625.6	-	(625.6)	-
<b>Total</b>	<b>\$ 2,940.9</b>	<b>\$ 406.2</b>	<b>\$ (625.6)</b>	<b>\$ 2,721.5</b>

<sup>(1)</sup> FY2022 as reported, including Batesville reportable operating segment.

<sup>(2)</sup> Revenue from FY2022 related to the recent acquisitions of Herbold, Linxis, Gabler, and Peerless; includes management estimate for period prior to ownership.

<sup>(3)</sup> Revenue from FY2022 related to Batesville reportable operating segment.

<sup>(4)</sup> FY2022 pro forma including acquisitions of Linxis, Herbold, Gabler, and Peerless, and excluding Batesville.



# Reconciliation of Adjusted EBITDA to Consolidated Net Income

(in millions)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
<b>Adjusted EBITDA:</b>				
Advanced Process Solutions	\$ 93.6	\$ 60.6	\$ 238.1	\$ 180.6
Molding Technology Solutions	50.8	54.5	141.4	156.7
Corporate	(18.3)	(14.3)	(43.5)	(46.7)
Add:				
Total income from discontinued operations	1.0	19.0	461.4	73.3
Less:				
Interest income	(2.8)	(1.3)	(7.1)	(4.0)
Interest expense	18.6	17.5	63.0	52.7
Income tax expense	23.8	19.9	50.2	54.4
Depreciation and amortization	31.1	24.2	93.1	74.4
Business acquisition, disposition, and integration costs	10.6	9.1	28.5	20.6
Inventory step-up charges	-	-	11.1	-
Restructuring and restructuring-related charges	0.8	0.2	2.3	3.5
Loss on divestiture	-	-	-	3.1
Other	-	0.1	-	3.2
<b>Consolidated net income</b>	<u>\$ 45.0</u>	<u>\$ 50.1</u>	<u>\$ 556.3</u>	<u>\$ 156.0</u>

# Reconciliation of Income to Adjusted Net Income & Diluted EPS to Adjusted Diluted EPS for Continuing Operations

(in millions, except per share data)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
<b>Income from continuing operations</b>	\$ 44.0	\$ 31.1	\$ 94.9	\$ 82.7
Less: Net income attributable to noncontrolling interests	1.7	1.3	4.8	3.9
<b>Income from continuing operations attributable to Hillenbrand</b>	42.3	29.8	90.1	78.8
Business acquisition, disposition, and integration costs	10.6	9.1	28.5	20.6
Restructuring and restructuring-related charges	0.8	0.2	2.3	3.5
Inventory step-up charges	-	-	11.1	-
Intangible asset amortization	19.7	13.4	58.6	40.8
Loss on divestiture	-	-	-	3.1
Other	-	0.1	-	3.2
Tax adjustments	0.6	3.0	2.2	5.4
Tax effect of adjustments	(7.1)	(5.2)	(25.7)	(15.8)
<b>Adjusted net income from continuing operations attributable to Hillenbrand</b>	<u>\$ 66.9</u>	<u>\$ 50.4</u>	<u>\$ 167.1</u>	<u>\$ 139.6</u>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
<b>Diluted EPS from continuing operations</b>	\$ 0.60	\$ 0.42	\$ 1.29	\$ 1.08
Business acquisition, disposition, and integration costs	0.15	0.12	0.41	0.28
Restructuring and restructuring-related charges	0.01	0.01	0.03	0.05
Inventory step-up charges	-	-	0.16	-
Intangible asset amortization	0.28	0.19	0.84	0.56
Loss on divestiture	-	-	-	0.04
Other	-	-	-	0.04
Tax adjustments	0.01	0.04	0.03	0.07
Tax effect of adjustments	(0.10)	(0.08)	(0.37)	(0.21)
<b>Adjusted Diluted EPS from continuing operations</b>	<u>\$ 0.95</u>	<u>\$ 0.70</u>	<u>\$ 2.39</u>	<u>\$ 1.91</u>

# Reconciliation of Consolidated Net Income to Organic Adjusted EBITDA

(in millions)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
<b>Consolidated net income</b>	\$ 45.0	\$ 50.1	\$ 556.3	\$ 156.0
Interest income	(2.8)	(1.3)	(7.1)	(4.0)
Interest expense	18.6	17.5	63.0	52.7
Income tax expense	23.8	19.9	50.2	54.4
Depreciation and amortization	31.1	24.2	93.1	74.4
<b>EBITDA</b>	<b>115.7</b>	<b>110.4</b>	<b>755.5</b>	<b>333.5</b>
Total income from discontinued operations	(1.0)	(19.0)	(461.4)	(73.3)
Business acquisition, disposition, and integration costs	10.6	9.1	28.5	20.6
Inventory step-up charges	-	-	11.1	-
Restructuring and restructuring-related charges	0.8	0.2	2.3	3.5
Loss on divestiture	-	-	-	3.1
Other, net	-	0.1	-	3.2
<b>Adjusted EBITDA</b>	<b>126.1</b>	<b>100.8</b>	<b>336.0</b>	<b>290.6</b>
Less: Acquisitions adjusted EBITDA <sup>(1)</sup>	(19.1)	-	(43.9)	-
Foreign currency impact	1.0	-	12.0	-
<b>Organic adjusted EBITDA</b>	<b>\$ 108.0</b>	<b>\$ 100.8</b>	<b>\$ 304.1</b>	<b>\$ 290.6</b>
<b>Advanced Process Solutions adjusted EBITDA</b>	<b>\$ 93.6</b>	<b>\$ 60.6</b>	<b>\$ 238.1</b>	<b>\$ 180.6</b>
Less: Acquisitions adjusted EBITDA <sup>(1)</sup>	(19.1)	-	(43.9)	-
Foreign currency impact	(0.2)	-	6.4	-
<b>Advanced Process Solutions organic adjusted EBITDA</b>	<b>\$ 74.3</b>	<b>\$ 60.6</b>	<b>\$ 200.6</b>	<b>\$ 180.6</b>
<b>Molding Technology Solutions adjusted EBITDA</b>	<b>\$ 50.8</b>	<b>\$ 54.5</b>	<b>\$ 141.4</b>	<b>\$ 156.7</b>
Foreign currency impact	1.2	-	5.9	-
<b>Molding Technology Solutions organic adjusted EBITDA</b>	<b>\$ 52.0</b>	<b>\$ 54.5</b>	<b>\$ 147.3</b>	<b>\$ 156.7</b>

<sup>(1)</sup> The impact of the acquisitions of Gabler, Herbold, Linxis, and Peerless.

# Reconciliation of Reported Revenue to Organic Revenue

(in millions)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Advanced Process Solutions net revenue	\$ 464.7	\$ 310.3	\$ 1,308.0	\$ 942.0
Less: TerraSource Global net revenue <sup>(1)</sup>	-	-	-	(2.4)
Less: Acquisitions <sup>(2)</sup>	(110.5)	-	(308.1)	-
Foreign currency impact	(2.3)	-	32.1	-
<b>Advanced Process Solutions organic net revenue</b>	<b>351.9</b>	<b>310.3</b>	<b>1,032.0</b>	<b>939.6</b>
Molding Technology Solutions net revenue	251.9	269.5	755.2	769.4
Foreign currency impact	2.8	-	21.1	-
<b>Molding Technology Solutions organic net revenue</b>	<b>254.7</b>	<b>269.5</b>	<b>776.3</b>	<b>769.4</b>
<b>Consolidated organic net revenue</b>	<b>\$ 606.6</b>	<b>\$ 579.8</b>	<b>\$ 1,808.3</b>	<b>\$ 1,709.0</b>

(1) The TerraSource business, which was included within the Advanced Process Solutions reportable operating segment, was divested on October 22, 2021.

(2) The impact of the acquisitions of Gabler, Herbold, Linxis, and Peerless.

## Reconciliation of Reported Backlog to Organic Backlog

(in millions)	June 30, 2023	June 30, 2022
Advanced Process Solutions backlog	\$ 1,604.0	\$ 1,228.6
Less: Acquisitions <sup>(1)</sup>	(267.2)	-
Foreign currency impact	(26.6)	-
<b>Advanced Process Solutions organic backlog</b>	<b>1,310.2</b>	<b>1,228.6</b>
Molding Technology Solutions backlog	266.4	420.2
Foreign currency impact	0.6	-
<b>Molding Technology Solutions organic backlog</b>	<b>267.0</b>	<b>420.2</b>
<b>Consolidated organic backlog</b>	<b>\$ 1,577.2</b>	<b>\$ 1,648.8</b>

(1) The impact of the acquisitions of Gabler, Herbold, Linxis, and Peerless.



## Ratio of Net Debt to Pro Forma Adjusted EBITDA

(in millions)	June 30, 2023
Current portion of long-term debt	\$ 10.0
Long-term debt	1,329.3
Total debt	1,339.3
Less: Cash and cash equivalents	(290.5)
Net debt	\$ 1,048.8
Pro forma adjusted EBITDA for the trailing twelve months ended	\$ 461.9
Ratio of net debt to pro forma adjusted EBITDA	2.3

## Reconciliation of Operating Cash Flow to Free Cash Flow

(in millions)	Three Months Ended June 30 2023	
Net cash provided by operating activities from continuing operations	\$	88.9
Less: Capital expenditures		(13.9)
Free cash flow	\$	<u>75.0</u>
Adjusted net income from continuing operations attributable to Hillenbrand	\$	66.9
Free cash flow to net income conversion rate		112%

# Pro Forma Net Revenue Reconciliation

(in millions)	Year Ended September 30,					
	2017	2018	2019	2020	2021	2022
Consolidated net revenue	\$ 1,590.2	\$ 1,770.1	\$ 1,807.3	\$ 2,517.0	\$ 2,864.8	\$ 2,940.9
Less: Batesville net revenue <sup>(1)</sup>	(562.0)	(550.6)	(532.9)	(552.6)	(623.4)	(625.6)
Plus: Net revenue from acquisitions <sup>(2)</sup>	-	-	-	-	-	406.2
<b>Pro forma net revenue</b>	<b><u>1,028.2</u></b>	<b><u>1,219.5</u></b>	<b><u>1,274.4</u></b>	<b><u>1,964.4</u></b>	<b><u>2,241.4</u></b>	<b><u>2,721.5</u></b>
Advanced Process Solutions net revenue	1,028.2	1,219.5	1,274.4	1,228.6	1,245.7	1,269.8
Plus: Net revenue from acquisitions <sup>(2)</sup>	-	-	-	-	-	406.2
<b>Advanced Process Solutions pro forma net revenue</b>	<b><u>1,028.2</u></b>	<b><u>1,219.5</u></b>	<b><u>1,274.4</u></b>	<b><u>1,228.6</u></b>	<b><u>1,245.7</u></b>	<b><u>1,676.0</u></b>
<b>Molding Technology Solutions net revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>735.8</b>	<b>995.7</b>	<b>1,045.5</b>
<b>Pro forma net revenue</b>	<b><u>\$ 1,028.2</u></b>	<b><u>\$ 1,219.5</u></b>	<b><u>\$ 1,274.4</u></b>	<b><u>\$ 1,964.4</u></b>	<b><u>\$ 2,241.4</u></b>	<b><u>\$ 2,721.5</u></b>

Note:

<sup>(1)</sup> Batesville reportable operating segment results excluded from pro forma results.

<sup>(2)</sup> Revenue from FY'22 related to the recent acquisitions of Herbold, Linxis, Gabler, and Peerless; includes management estimate for period prior to ownership.

# Pro Forma Adjusted EBITDA Reconciliation

(in millions)	Year Ended September 30,					
	2017	2018	2019	2020	2021	2022
Consolidated net income	\$ 128.4	\$ 81.2	\$ 126.2	\$ (53.4)	\$ 255.2	\$ 215.2
Interest income	(0.9)	(1.4)	(1.1)	(3.2)	(3.4)	(5.5)
Interest expense	25.2	23.3	27.4	77.4	77.6	69.8
Income tax expense	59.9	65.3	50.5	34.9	98.6	98.8
Depreciation and amortization	56.6	56.5	58.5	130.6	115.2	108.2
EBITDA	269.2	224.9	261.5	186.3	543.2	486.5
Impairment charges	-	63.4	-	144.8	11.2	-
Business acquisition, disposition, and integration costs	1.1	3.5	16.6	77.2	34.5	31.3
Restructuring and restructuring-related charges	10.7	2.5	10.6	9.3	14.5	3.2
Inventory step-up	-	-	0.2	40.7	-	-
Loss (gain) on divestitures	-	-	-	3.5	(67.1)	3.1
Other	-	-	-	2.6	1.9	3.3
Loss on settlement of interest rate swaps	-	-	6.4	-	-	-
Adjusted EBITDA	281.0	294.3	295.3	464.4	538.2	527.4
Less: Batesville adjusted EBITDA <sup>(1)</sup>	(141.9)	(120.8)	(114.1)	(128.8)	(159.4)	(125.9)
Plus: Adjusted EBITDA from acquisitions <sup>(2)</sup>	-	-	-	-	-	60.5
<b>Pro forma adjusted EBITDA</b>	<b>\$ 139.1</b>	<b>\$ 173.5</b>	<b>\$ 181.2</b>	<b>\$ 335.6</b>	<b>\$ 378.8</b>	<b>\$ 462.0</b>

Note:

<sup>(1)</sup> Batesville reportable operating segment results were not recast for discontinued operations for any period presented

<sup>(2)</sup> Adjusted EBITDA from FY'22 related to the recent acquisitions of Herbold, Linxis, Gabler, and Peerless; includes management estimate for period prior to ownership