



SHAPE WHAT  
MATTERS FOR  
TOMORROW™

HILLENBRAND

Third Quarter FY 2023  
Earnings Call Presentation

August 3, 2023



# Hillenbrand Call Participants



**Kim Ryan**  
President & CEO



**Bob VanHimbergen**  
SVP & CFO



**Sam Mynsberge**  
VP, Investor Relations

# Disclosure Regarding Forward-Looking Statements

Throughout this earnings presentation, we make a number of “forward-looking statements” 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.

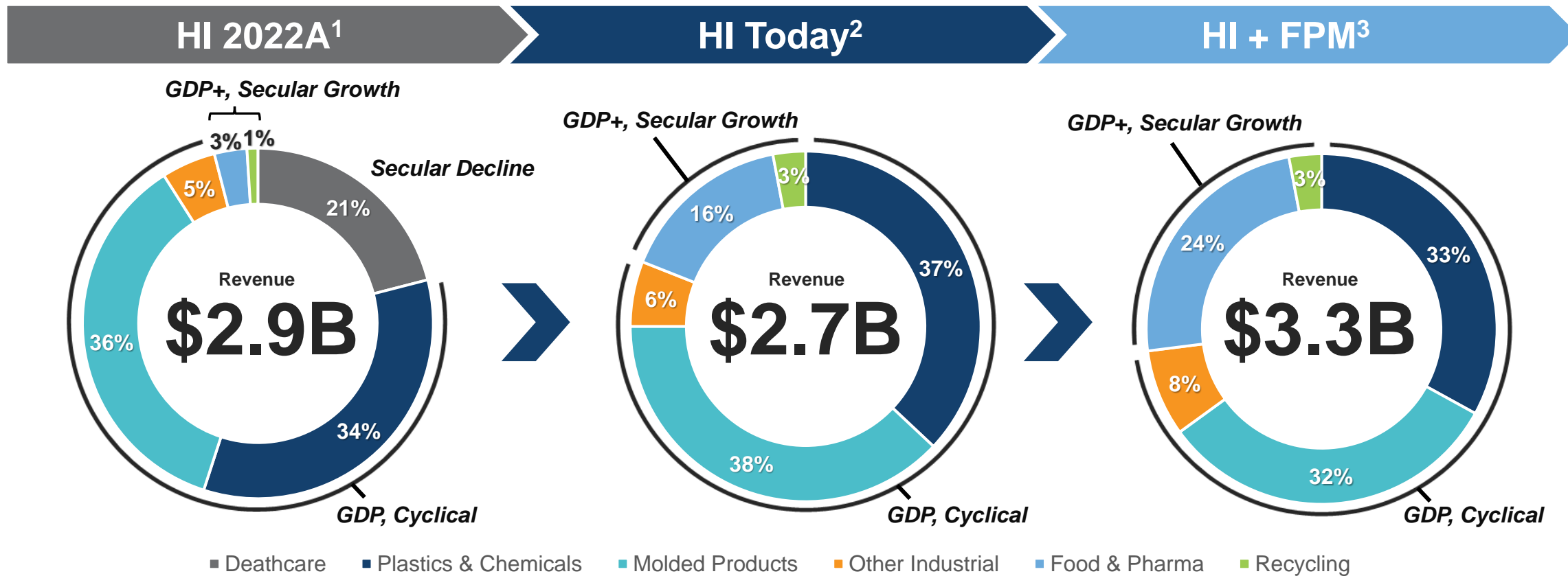
Words that could indicate that we are making forward-looking statements include the following:

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.

# 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**

<sup>1</sup> FY2022 as reported, including Batesville.

<sup>2</sup> Hillenbrand FY2022 Pro forma for acquisitions of Linxis, Herbold, Gabler, and Peerless and divestiture of Batesville. Pro forma revenue is a non-GAAP measure. See appendix for GAAP reconciliation.

<sup>3</sup> Illustrative combination of Food and Performance Materials business (CY23E Revenue) and Hillenbrand's FY2022 Pro forma revenue as defined above (FN2). See appendix for further information.

Note: Market growth rates and market characterizations (secular, cyclical) based on Company estimates.

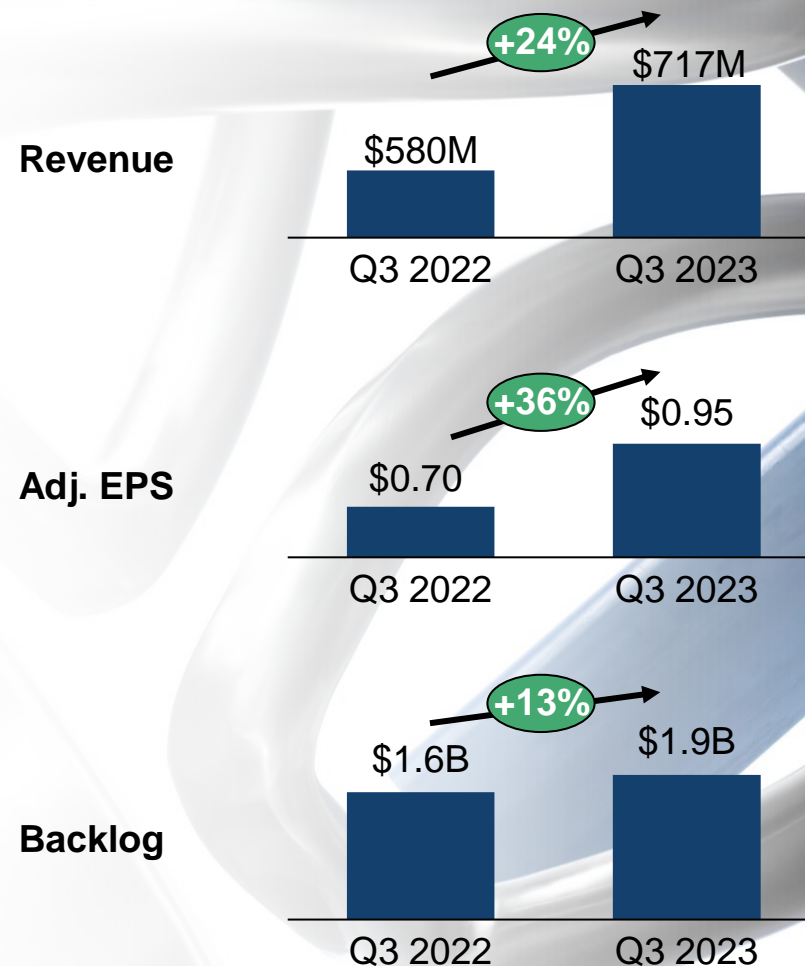


# Q3 Overview

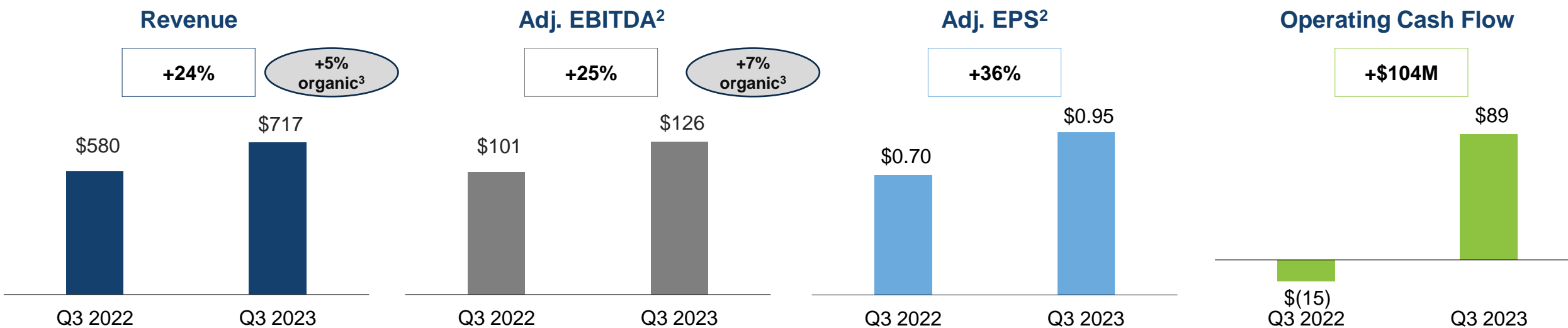
## Q3 2023 Highlights<sup>1,2,3</sup>

- **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



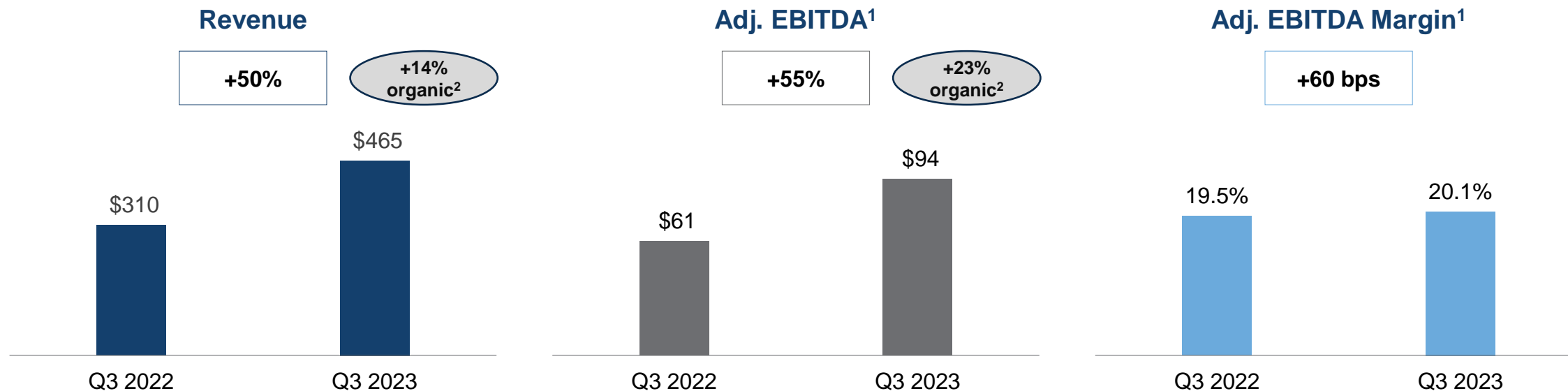
## Performance Highlights<sup>1,2,3</sup>

- 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

# Segment Performance: Advanced Process Solutions



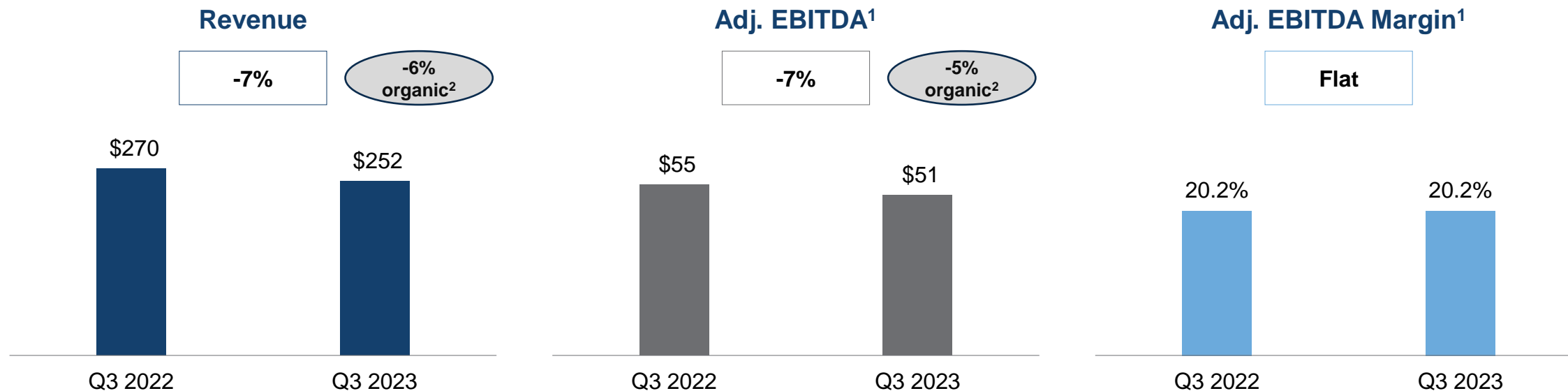
## Performance Highlights<sup>1,2</sup>

- Revenue of \$465 million increased 50% primarily driven by acquisitions; organic revenue increased 14% year over year, primarily due to favorable pricing, higher aftermarket parts and service revenue, and an increase in large plastics systems sales
- Adj. EBITDA of \$94 million increased 55%, or 23% on an organic basis, as favorable pricing, higher volume, and productivity improvements were partially offset by inflation
- Adj. EBITDA margin of 20.1% increased 60 basis points due to favorable pricing, operating leverage from higher volume, and productivity improvements partially offset by cost inflation and the dilutive effect of the acquisitions
- Backlog of \$1.6 billion increased 31% primarily due to acquisitions; on an organic basis, backlog increased 7%, primarily driven by large plastics systems and aftermarket parts and service

## Business Update<sup>1,2</sup>

- Acquisitions performed better than expected in the quarter with revenue up 20% sequentially
- Order volumes were strong for food and aftermarket, with book-to-bill greater than 1; customer delays of several large plastics orders resulted in sequential backlog decline, though backlog still remains at historically strong level
- The demand pipeline remains healthy across key growth platforms of durable plastics, recycling, and food; outlook for revenue slightly below previous expectations primarily due to customer order timing
- Price-cost coverage was >100% in the quarter, though remained dilutive to margin
- As expected, recent acquisitions had a dilutive effect to margin, but we expect to bring them in line with historical APS margin over the next few years through deployment of HOM and synergy realization

# Segment Performance: Molding Technology Solutions



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

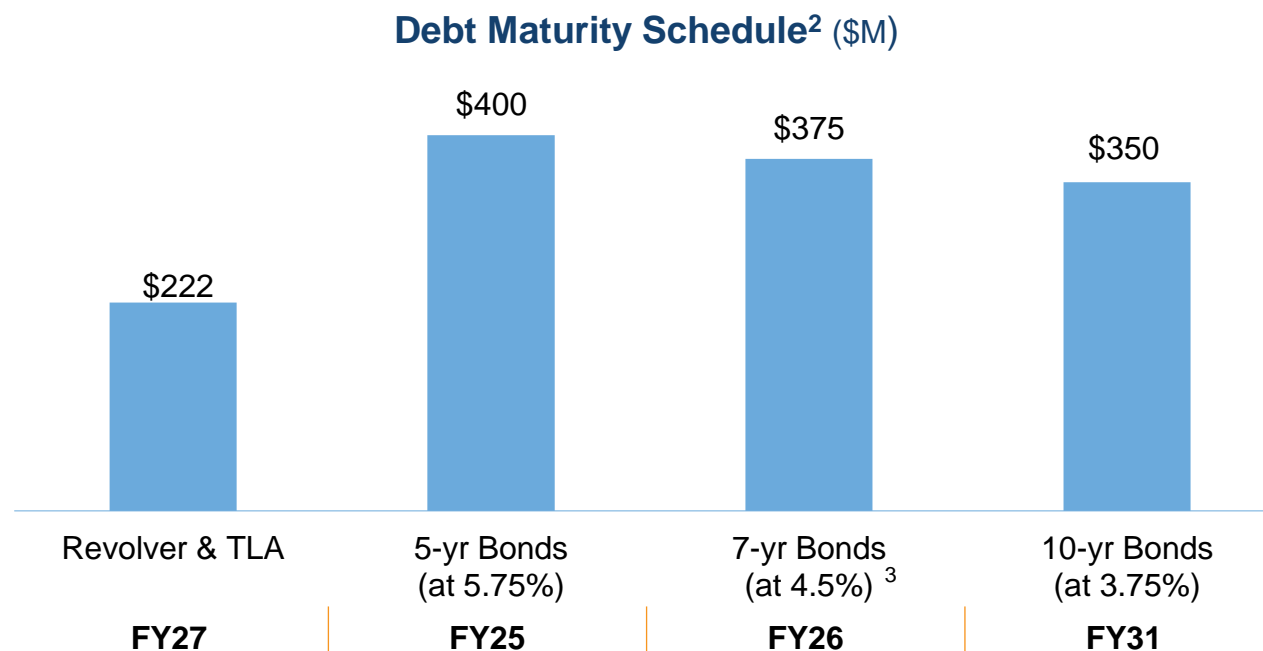
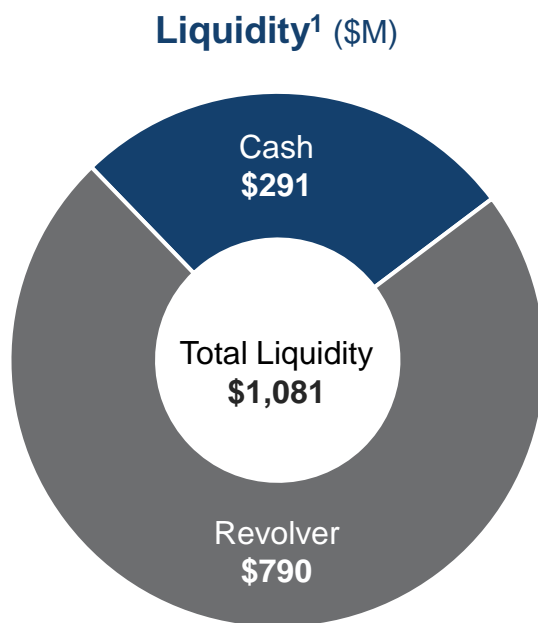
- Revenue of \$252 million decreased 7% year over year, or 6% organically, as a decrease in injection molding and hot runner equipment sales was partially offset by higher aftermarket parts and service revenue and favorable pricing
- Adj. EBITDA of \$51 million decreased 7% compared to the prior year, or 5% organically, as lower volume, cost inflation, and unfavorable product mix were offset by favorable pricing, lower variable compensation, productivity improvements, and cost containment actions
- Adj. EBITDA margin of 20.2% was flat compared to prior year
- Backlog of \$266 million decreased 37% compared to the prior year due to lower orders for injection molding equipment and the execution of existing backlog

## Business Update

- Q3 orders were consistent with Q2, though came in softer than expected as customers continued to delay decisions, particularly in China, where the economic recovery has been slower than anticipated
- Price-cost coverage was 100% in the quarter, though remained dilutive to margin
- Product mix improved sequentially, but remained unfavorable vs. the prior year due to slightly higher relative volume of injection molding equipment, which has lower margin compared to hot runners
- Outlook for Q4 assumes relatively consistent performance to Q3, with overall demand levels remaining suppressed



# Capital Position & Liquidity



- Net debt of \$1.05 billion; net debt to pro forma adjusted EBITDA ratio<sup>4</sup> of 2.3x as of June 30, 2023
- On June 21, the Company amended its credit agreement, establishing a new delayed-draw term loan facility providing €185.0 million of additional liquidity to be used for the Schenck FPM acquisition and other corporate uses

<sup>1</sup> Cash and credit facility amounts as of 6/30/23.

<sup>2</sup> Debt maturity schedule is shown on a fiscal year basis and reflects date of final payment due.

<sup>3</sup> Interest rates subsequently increased to 5.0% (7-yr Bonds).

<sup>4</sup> Defined as ("Total Debt – Cash") / Trailing 12-month pro forma adjusted EBITDA. Pro forma adjusted EBITDA is a non-GAAP measure. Prior periods are as previously disclosed, and reconciliations or other additional information are available in presentations and SEC filings available on our website.

# Capital Deployment Priorities

	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

# Updated FY2023 Guidance – Continuing Operations

## UPDATED CONTINUING OPERATIONS GUIDANCE

	Hillenbrand	Advanced Process Solutions	Molding Technology Solutions
<b>Revenue</b>	<b>\$2,775 - \$2,810</b>	<b>\$1,775 - \$1,800</b>	<b>\$1,000 - \$1,010</b>
Total YOY	20% - 21%	40% - 42%	(4%) - (3%)
Acquisitions <sup>1</sup>	~18%	~34%	~0%
FX	~(1%)	~(1%)	~(2%)
Organic YOY <sup>2</sup>	3% - 4%	8% - 10%	(3%) - (2%)
<b>Adj. EBITDA / Margin<sup>3</sup></b>	<b>\$468 - \$480</b>	<b>19.2% - 19.3%</b>	<b>18.7% - 19.0%</b>
Total YOY	17% - 19%	(50) - (40) bps	(200) - (170) bps
		60 - 70 bps Organic	
<b>Adj. EPS<sup>3</sup></b>	<b>\$3.40 - \$3.50</b>		
YOY	26% - 29%		

## PREVIOUS CONTINUING OPERATIONS GUIDANCE

	Hillenbrand	Advanced Process Solutions	Molding Technology Solutions
<b>Revenue</b>	<b>\$2,810 - \$2,860</b>	<b>\$1,800 - \$1,830</b>	<b>\$1,010 - \$1,030</b>
Total YOY	22% - 24%	42% - 44%	(3%) - (1%)
Acquisitions <sup>1</sup>	~18%	~33%	--
FX	~(1%)	~(1%)	~(2%)
Organic YOY <sup>2</sup>	5% - 7%	10% - 12%	(1%) - 1%
<b>Adj. EBITDA / Margin<sup>3</sup></b>	<b>\$468 - \$499</b>	<b>18.5% - 19.0%</b>	<b>19.0% - 20.0%</b>
Total YOY	16% - 24%	(120) - (70) bps	(170) - (70) bps
		40 - 90 bps Organic	
<b>Adj. EPS<sup>3</sup></b>	<b>\$3.30 - \$3.50</b>		
YOY	21% - 29%		

## Other FY 2023 Assumptions

~80-85%	~\$60M	~\$50M	~\$78M	~\$75M	~29%	~70M
Free Cash Flow / Adj. NI <sup>3</sup>	Capital Expenditures	Depreciation	Intangible Amortization	Interest Expense, Net	Adj. ETR <sup>3</sup>	Avg. Diluted Shares

<sup>1</sup> Reflects impact from Linxis, Herbold, Peerless, and Gabler acquisitions.

<sup>2</sup> Organic outlook on a continuing operations basis and excludes the impact from foreign currency exchange, and the Linxis, Herbold, Peerless, and Gabler acquisitions. See appendix for further information.

<sup>3</sup> Adjusted EBITDA margin, adjusted EPS, adjusted Net Income, and adjusted ETR are non-GAAP measures. Hillenbrand does not attempt to provide reconciliations for forward-looking non-GAAP earnings guidance. See appendix for further information.

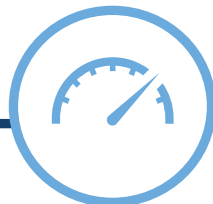
# Closing Remarks



**Well Positioned in Large, Attractive End Markets**



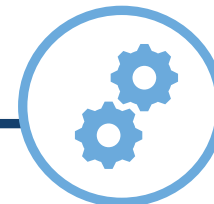
**>\$55B TAM<sup>1</sup>  
growing at GDP or higher over long-term**



**Above-Market Growth Accelerators**



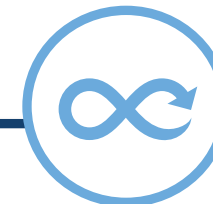
**Targeting HSD aftermarket CAGR + Strategic M&A**



**Relentless Drive for Margin Expansion**



**Targeting ~100bps of Annual Productivity<sup>2</sup> through HOM**



**Efficient Capital Allocation**



**Targeting 100% Free Cash Flow Conversion<sup>3</sup>**

# Q&A

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# Replay Information

- Dial-in for US and Canada: **1-877-660-6853**
- Dial-in for International: **+1-201-612-7415**
- Conference ID: **13740206**
- Date/Time: Available until midnight ET, Thursday, August 17, 2023
- Log-on to: **<http://ir.hillenbrand.com>**

# 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>
Revenue by end market				
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%