



HILLENBRAND

A GLOBAL DIVERSIFIED INDUSTRIAL COMPANY

PURSuing GROWTH • BUILDING VALUE



Hillenbrand Participants

Joe Raver

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Disclosure regarding forward-looking statements

Forward-Looking Statements and Factors That May Affect Future Results:

Throughout this presentation, we make a number of “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. As the words imply, these are statements about future plans, objectives, beliefs, and expectations 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.

Accordingly, in this presentation, we may say something like,

“We expect that future revenue associated with the Process Equipment Group will be influenced by order backlog.”

That is a forward-looking statement, as indicated by the word “expect” and by the clear meaning of the sentence.

Other words that could indicate we are making forward-looking statements include:

intend	believe	plan	expect	may	goal	would
become	pursue	estimate	will	forecast	continue	could
targeted	encourage	promise	improve	progress	potential	should

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, and our actual results 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.

For a discussion of factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Item 1A of Part I of our Form 10-K for the period ended September 30, 2015, located on our website and filed with the SEC. We assume no obligation to update or revise any forward-looking statements.

Hillenbrand's strategy is focused on three key areas

- Develop Hillenbrand into a world-class global diversified industrial company
- Leverage our strong financial foundation and the Hillenbrand Operating Model to deliver sustainable profit growth, revenue expansion, and free cash flow
- Reinvest this cash in new growth initiatives, both organic and inorganic, that create shareholder value

ABEL is a Leader in Positive Displacement Pumps

Pumping Solutions

- ~38% of revenue



Pumps

- ~20% of revenue



Parts and Services

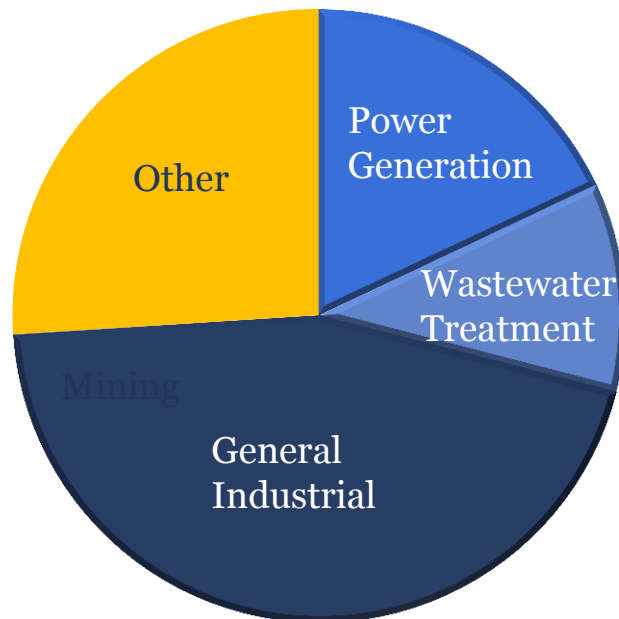
- ~ 42% of revenue



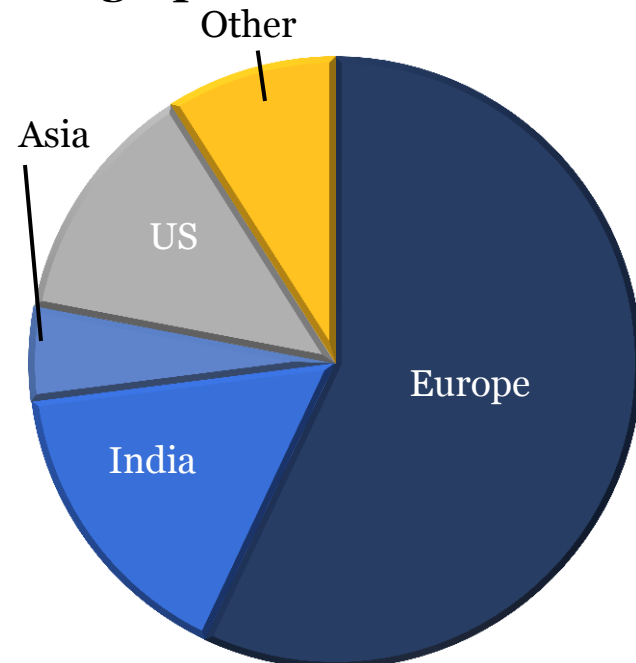
ABEL Serves Attractive and Growing End Markets

- Flow Control is an attractive new market
- Highly profitable with low capital requirements (or low asset base)
- Substantial recurring revenue stream from replacement parts business
- A diverse customer base both by geography and industry

Revenue by Key End Markets



Geographic Revenue Sources



Q4 and FY 2015 Highlights

Q4 2015 and Full-Year Consolidated Highlights

- Q4 Revenue of \$392 million decreased 16% or 11% constant currency
- Q4 Adjusted EPS* declined 9% to \$0.55 per diluted share
- Full-year Revenue of \$1.6 billion was down 4%, with growth of 2% offset by 6% currency impact
- Full-year Adjusted EPS* of \$2.05 per diluted share increased 6.8% over the prior year result normalized for non-recurring items**

PEG Q4 2015 Highlights

- Revenue of \$242 million decreased 24% or 17% constant currency
- Adjusted EBITDA margin* expanded 140 bps compared to prior year

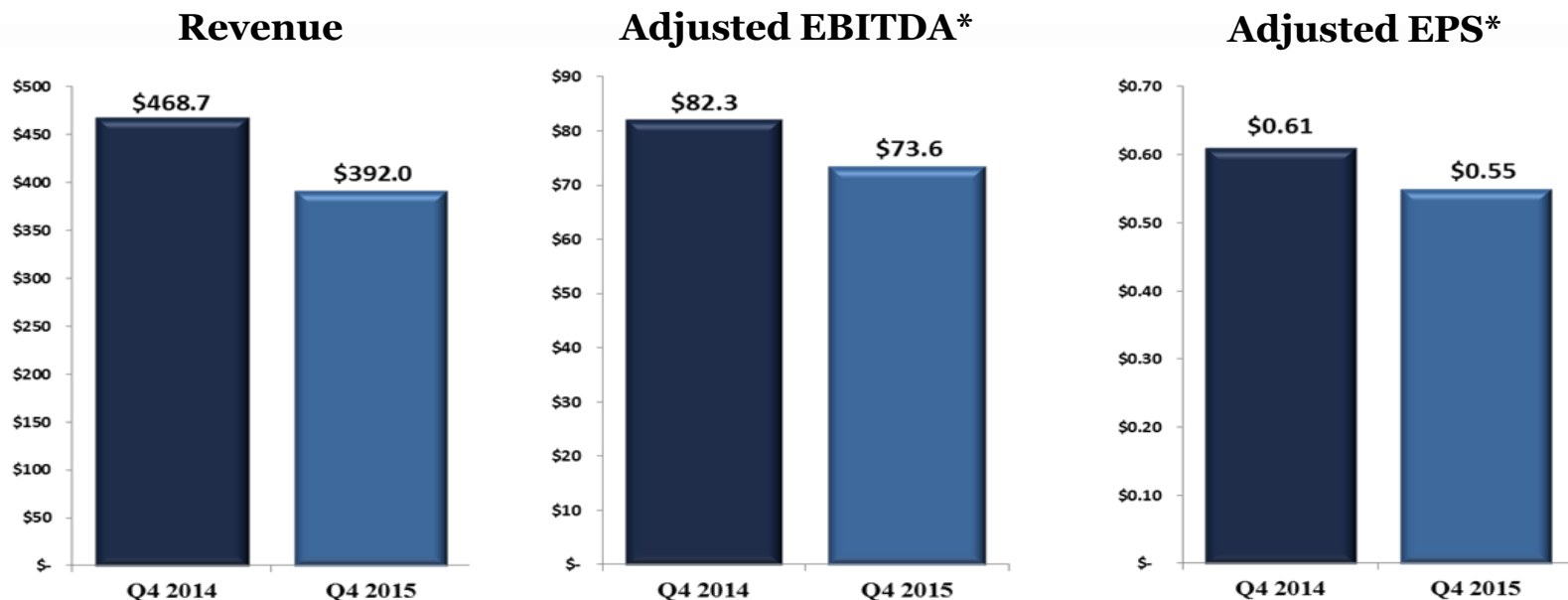
Batesville Q4 2015 Highlights

- Revenue of \$150 million was in line with the prior year
- Adjusted Gross Margin* was 39.4%, up 40 bps

* See appendix for reconciliation

** See slide 16 for the bridge of FY14 adjusted to normalized EPS

Consolidated Financial Performance – Q4 2015



Hillenbrand Consolidated

Q4 2015 Consolidated Composition:

	Rev	Adj. EBITDA*
Process Equipment Group	62%	55%
Batesville	38%	45%
Total	100%	100%

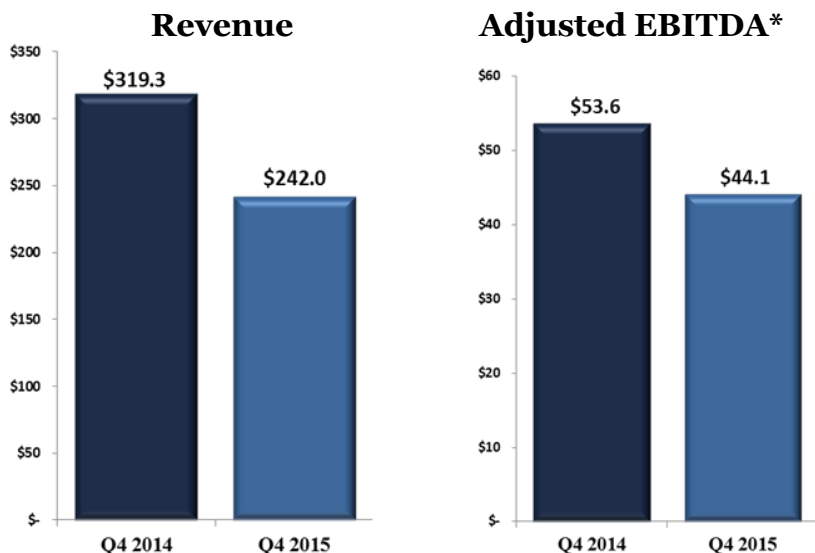
Q4 2015 Consolidated Summary:

- Revenue declined 16% to \$392 million, down 11% constant currency, primarily driven by volume in the Process Equipment Group segment
- Adjusted EBITDA* was \$74 million, down 11%
- Adjusted EPS* decreased 9%; \$0.55 per diluted share

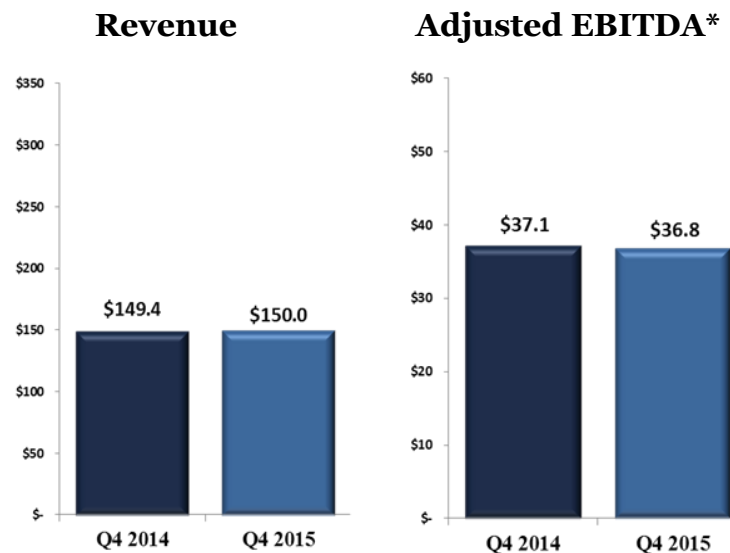
*See appendix for reconciliation

Segment Performance – Q4 2015

Process Equipment Group



Batesville



Process Equipment Group

Q4 2015 Summary:

- Revenue down 24%, or 17% constant currency as volume declined due to prior year non-recurring large orders and continued softening in the mining and proppants markets
- Adjusted EBITDA margin* improved 140 basis points driven by mix, pricing, and cost containment

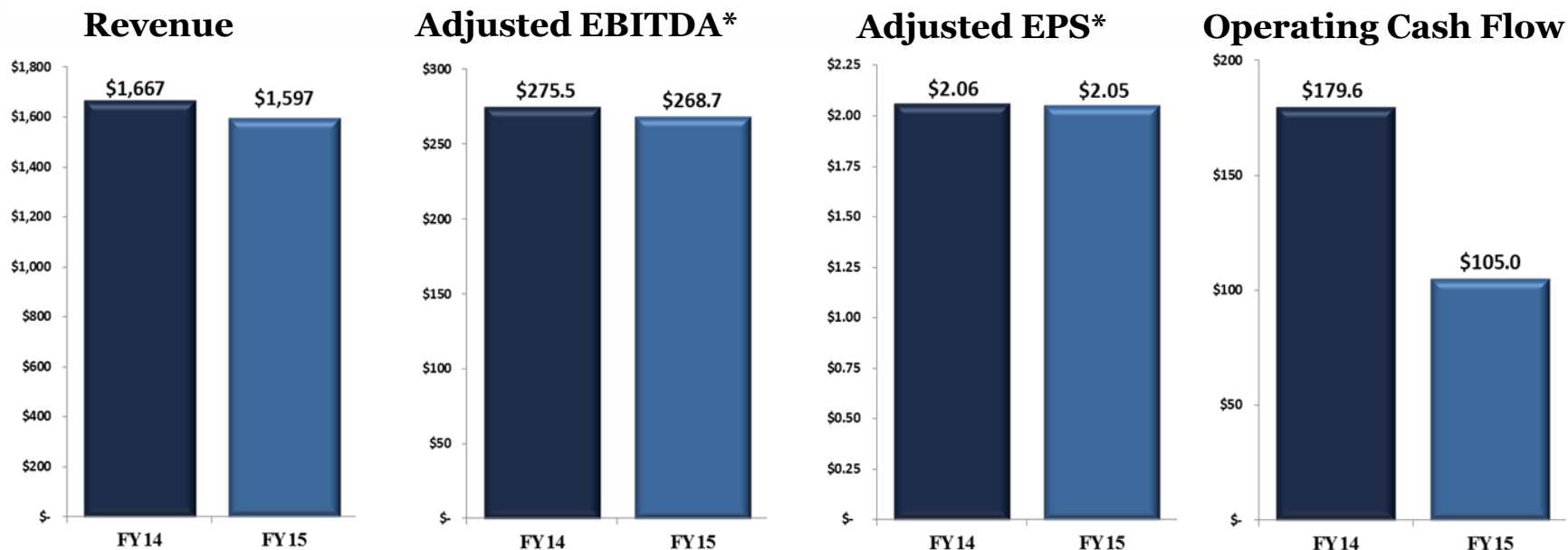
Batesville

Q4 2015 Summary:

- Revenue of \$150 million was in line with prior year and up 2% constant currency due to an increase in volume
- Adjusted EBITDA margin* was down 30 basis points, due in part to an increase in variable compensation

*See appendix for reconciliation

Consolidated Financial Performance – FY 2015



Hillenbrand Consolidated

FY 2015 Consolidated Composition:

	Rev	Adj. EBITDA*
Process Equipment Group	62%	52%
Batesville	38%	48%
Total	100%	100%

FY 2015 Summary:

- Revenue of \$1.6 billion increased 2%; offset by a 6% currency impact
- Adjusted EBITDA* of \$269 million decreased 2% compared to prior year
- Operating cash flow decreased \$75 million compared to the prior year

*See appendix for reconciliation

Hillenbrand Outlook: FY 2016 Guidance

Revenue growth of 2-4% constant currency; ADJ EPS \$2.10-\$2.25

	Revenue Range	
Constant Currency Organic Revenue Growth	0%	2%
ABEL Growth	2%	2%
Total Revenue Growth	2%	4%
Total Constant Currency Revenue \$	1.63B	1.66B

	EPS Range	
FY15 Adjusted EPS	\$ 2.05	\$ 2.05
Organic Revenue Growth	-	0.06
Inorganic Growth	0.01	0.03
Effective Tax Rate	0.03	0.03
PEG EBITDA improvement	0.06	0.13
FX	(0.05)	(0.05)
	\$ 2.10	\$ 2.25
<i>EPS Growth</i>	2.4%	9.8%

Hillenbrand Outlook: FY 2016 Guidance

Revenue

2% - 4% Constant Currency Growth

**EPS
(adjusted)**

\$2.10 - \$2.25 per Diluted Share

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Q & A

Replay Information

▶▶▶▶ *Dial In: (855) 859-2056*

▶▶▶▶ *International: +1 (404) 537-3406*

▶▶▶▶ *Conference ID: 43874788*

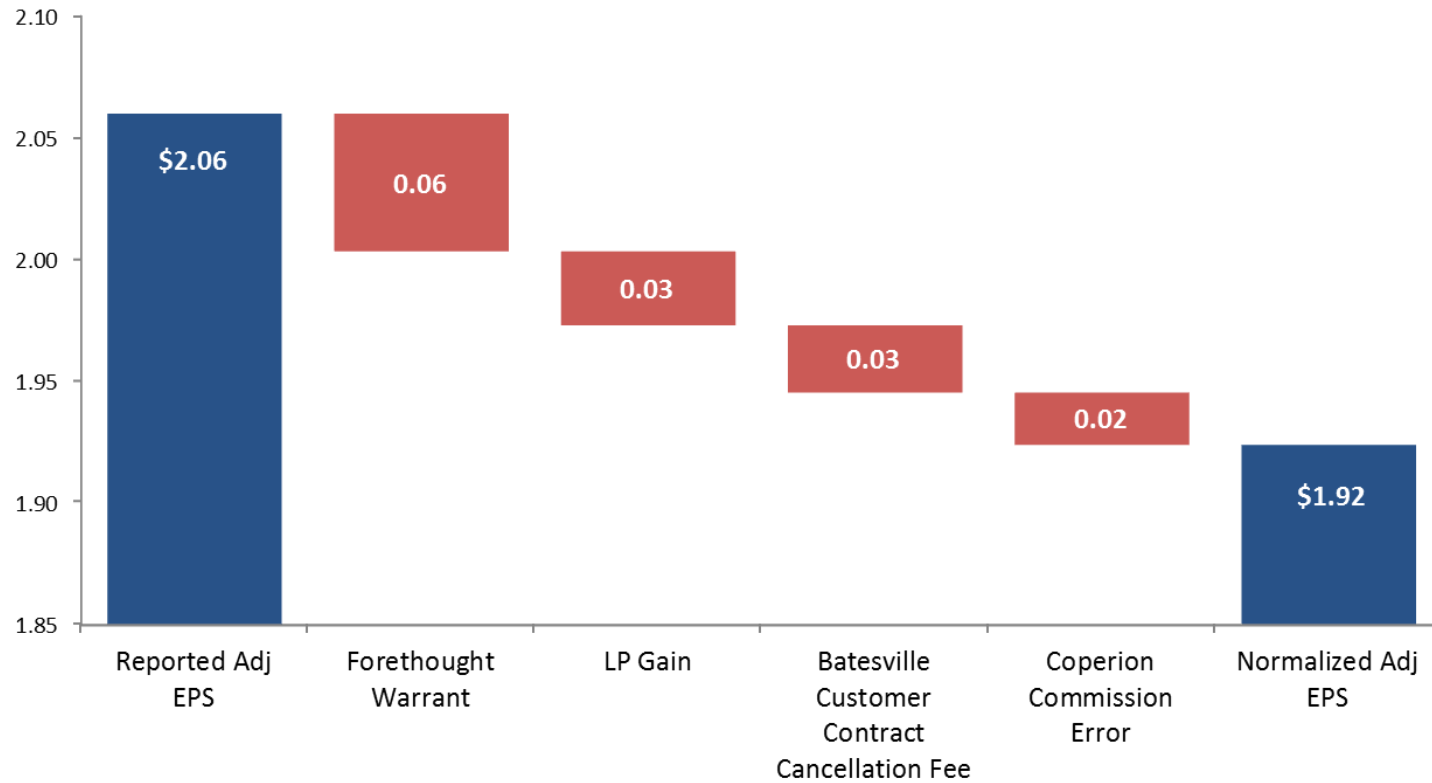
▶▶▶▶ *Encore Replay Dates: 11/19/2015 - 12/3/2015*

▶▶▶▶ *Log on to: <http://ir.hillenbrandinc.com/investor-relations>*

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Appendix

Bridge from FY14 Adjusted to Normalized EPS



Disclosure regarding non-GAAP measures

While we report financial results in accordance with accounting principles generally accepted in the United States (GAAP), we also provide certain non-GAAP operating performance measures. These non-GAAP measures are referred to as “adjusted” and exclude expenses associated with backlog amortization, inventory step-up, business acquisition and integration, restructuring, and antitrust litigation. The related income tax for all of these items is also excluded. This non-GAAP information is provided as a supplement, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

One important non-GAAP measure that we use is Adjusted Earnings Before Interest, Income Tax, Depreciation, and Amortization (“Adjusted EBITDA”). As previously discussed, a part of our strategy is to selectively acquire companies that we believe can benefit from our core competencies to spur faster and more profitable growth. 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.

Another important non-GAAP measure that we use is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in the Process Equipment Group industry. Our backlog represents the amount of consolidated revenue that we expect to realize on contracts awarded related to the Process Equipment Group. Backlog includes expected revenue from large systems, equipment, and to a lesser extent, replacement parts, components, and service.

We use this non-GAAP information internally to make operating decisions and believe it is helpful to investors because it allows more meaningful period-to-period comparisons of our ongoing operating results. The information can also be used to perform trend analysis and to better identify operating trends that may otherwise be masked or distorted by these types of items. Finally, the Company believes such information provides a higher degree of transparency.

Q4 FY15 & Q4 FY14 - Adjusted EBITDA to Consolidated Net Income Reconciliation

(\$ in millions)	Three months ended September 30,	
	2015	2014
Adjusted EBITDA:		
Process Equipment Group	\$ 44.1	\$ 53.6
Batesville	36.8	37.1
Corporate	(7.3)	(8.4)
Less:		
Interest income	(0.3)	(0.2)
Interest expense	6.0	5.8
Income tax expense	9.2	13.3
Depreciation and amortization	13.2	14.7
Business acquisition and integration	2.9	3.7
Restructuring	5.1	2.7
Litigation	-	19.4
Pension settlement charge	17.7	-
Consolidated net income	\$ 19.8	\$ 22.9

YTD FY15 & YTD FY14 - Adjusted EBITDA to Consolidated Net Income Reconciliation

(\$ in millions)	Twelve months ended September 30,	
	2015	2014
Adjusted EBITDA:		
Process Equipment Group	\$ 160.5	\$ 150.4
Batesville	145.5	150.8
Corporate	(37.3)	(25.7)
Less:		
Interest income	(1.0)	(0.8)
Interest expense	23.8	23.3
Income tax expense	49.1	48.7
Depreciation and amortization	54.3	58.4
Business acquisition and integration	3.6	8.4
Restructuring	7.5	5.5
Litigation	0.5	20.8
Pension settlement charge	17.7	-
Consolidated net income	\$ 113.2	\$ 111.2

Q4 FY15 & Q4 FY14 Non-GAAP Operating Performance Measures

(\$ in millions)	Three months ended September 30,					
	2015			2014		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 247.5	\$ (1.1) (a)	\$ 246.4	\$ 302.6	\$ (0.3) (f)	\$ 302.3
Operating expenses	83.5	(6.8) (b)	76.7	115.3	(25.6) (g)	89.7
Pension settlement charge	17.7	(17.7) (c)	-	-	-	-
Other (expense) income	(1.6)	0.1 (d)	(1.5)	(1.0)	-	(1.0)
Income tax expense	9.2	9.4 (e)	18.6	13.3	10.3 (e)	23.6
Net income ¹	19.1	16.3	35.4	23.6	15.6	39.2
Diluted EPS	0.30	0.25	0.55	0.37	0.24	0.61
Ratios:						
Gross margin	36.9%	0.2%	37.1%	35.4%	0.1%	35.5%
Operating expenses as a % of net revenue	21.3%	(1.7%)	19.6%	24.6%	(5.5%)	19.1%

¹ Net income attributable to Hillenbrand

P = Process Equipment Group; B = Batesville; C = Corporate

(a) Restructuring (\$1.0P, \$0.1B)

(b) Business acquisition costs (\$1.9C, \$1.0P), restructuring (\$3.1P, \$0.1B, \$0.7C)

(c) Pension settlement charge (\$17.7C)

(d) Restructuring (\$0.1P)

(e) Tax effect of adjustments

(f) Restructuring (\$0.2P, \$0.1B)

(g) Business acquisition costs (\$0.6P, \$3.1C), restructuring (\$2.3P, \$0.2C), litigation (\$19.4B)

YTD FY15 & YTD FY14 Non-GAAP Operating Performance Measures

(\$ in millions)	Twelve months ended September 30,					
	2015			2014		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 1,026.4	\$ (3.2) (a)	\$ 1,023.2	\$ 1,078.0	\$ (0.1) (f)	\$ 1,077.9
Operating expenses	330.6	(9.7) (b)	320.9	383.1	(34.7) (g)	348.4
Pension settlement charge	17.7	(17.7) (c)	-	-	-	-
Other (expense) income	(7.9)	0.1 (d)	(7.8)	8.7	-	8.7
Income tax expense	49.1	11.2 (e)	60.3	48.7	12.9 (e)	61.6
Net income ¹	111.4	19.5	130.9	109.7	21.9	131.6
Diluted EPS	1.74	0.31	2.05	1.72	0.34	2.06
Ratios:						
Gross margin	35.7%	0.2%	35.9%	35.3%	-	35.3%
Operating expenses as a % of net revenue	20.7%	(0.6%)	20.1%	23.0%	(2.1%)	20.9%

¹ Net income attributable to Hillenbrand

P = Process Equipment Group; B = Batesville; C = Corporate

(a) Restructuring (\$1.5P, \$1.7B)

(b) Business acquisition costs (\$1.1P, \$2.5C), restructuring (\$3.9P, \$2.2B, \$1.5C), litigation (\$0.5B)

(c) Pension settlement charge (\$17.7C)

(d) Restructuring (\$0.1P)

(e) Tax effect of adjustments

(f) Restructuring (\$0.3P, \$0.2 credit B)

(g) Business acquisition costs (\$2.1P, \$6.3C), restructuring (\$4.0P, \$1.5C), litigation (\$20.8B)