HILLENBRAND

Q2 ’19 Earnings Presentation

May 2, 2019

Hillenbrand Participants

- **Joe Raver**
  - President & Chief Executive Officer
- **Kristina Cerniglia**
  - Senior Vice President & Chief Financial Officer
- **Rich Dudley**
  - Senior Director, Investor Relations

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. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand's expectations and projections.

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
target	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 what is described 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. This includes the impact of the Tax Cuts and Jobs Act (the "Tax Act") on the Company's financial position, results of operations, and cash flows. 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 year ended September 30, 2018, and in Item 1A of Part II of the Form 10-Q for the period ended March 31, 2019, which are located on our website and filed with the SEC. We assume no obligation to update or revise any forward-looking statements.

Q2 FY 2019 Highlights

- **Consolidated Q2 2019 Highlights**
  - Revenue of $465 million increased 3% compared to prior year
  - GAAP EPS of $0.60 increased $0.94 primarily as a result of goodwill and trade name impairments recorded in 2018 that did not repeat; adjusted EPS[1] of $0.63 was down 3% compared to prior year

- **PEG Q2 2019 Highlights**
  - Revenue of $327 million increased 9% compared to prior year
  - Adjusted EBITDA margin[1] was 17.0%, up 40 bps compared to prior year

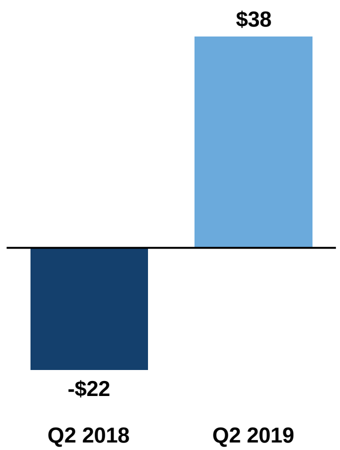
- **Batesville Q2 2019 Highlights**
  - Revenue of $138 million decreased 9.5% compared to prior year
  - Adjusted EBITDA margin[1] was 22.9%, down 240 bps compared to prior year

[1]Adjusted EPS and adjusted EBITDA margin are non-GAAP measures. See appendix for reconciliation.

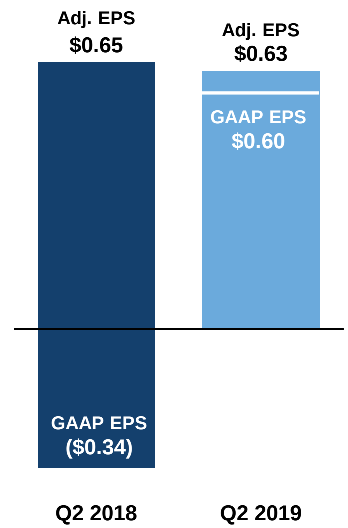
Consolidated Financial Performance – Q2 2019

Revenue

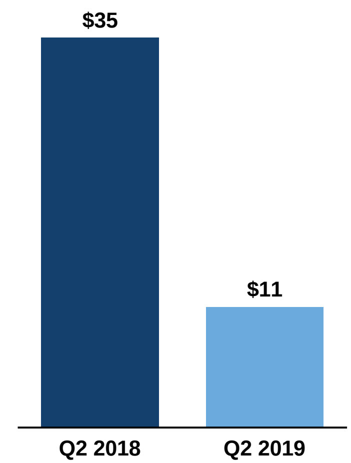
Net Income[1]



GAAP & Adjusted EPS[2]



Operating Cash Flow



Hillenbrand Consolidated

Q2 2019 Consolidated Composition:

	Revenue	Adj. EBITDA[2]
Process Equipment Group	70%	64%
Batesville	30%	36%
Total	**100%**	**100%**

Q2 2019 Consolidated Summary:

- Revenue increased 3% to $465 driven by Process Equipment Group revenue growth of 9%, partially offset by Batesville decline of 9.5%; FX decreased revenue by 4%
- GAAP net income increased to $38 million; adjusted EBITDA[2] of $75 million decreased 2%; adjusted EBITDA margin[2] of 16.1% decreased 80 bps primarily due to cost inflation, lower volume at Batesville, and product mix, which were partially offset by pricing and productivity improvements
- Operating cash flow decreased $24 million primarily due to an increase in working capital requirements

[1]Net Income attributable to Hillenbrand
[2]Adjusted EPS, adjusted EBITDA, and adjusted EBITDA margin are non-GAAP measures. See appendix for reconciliation.

Segment Performance – Q2 2019

Process Equipment Group

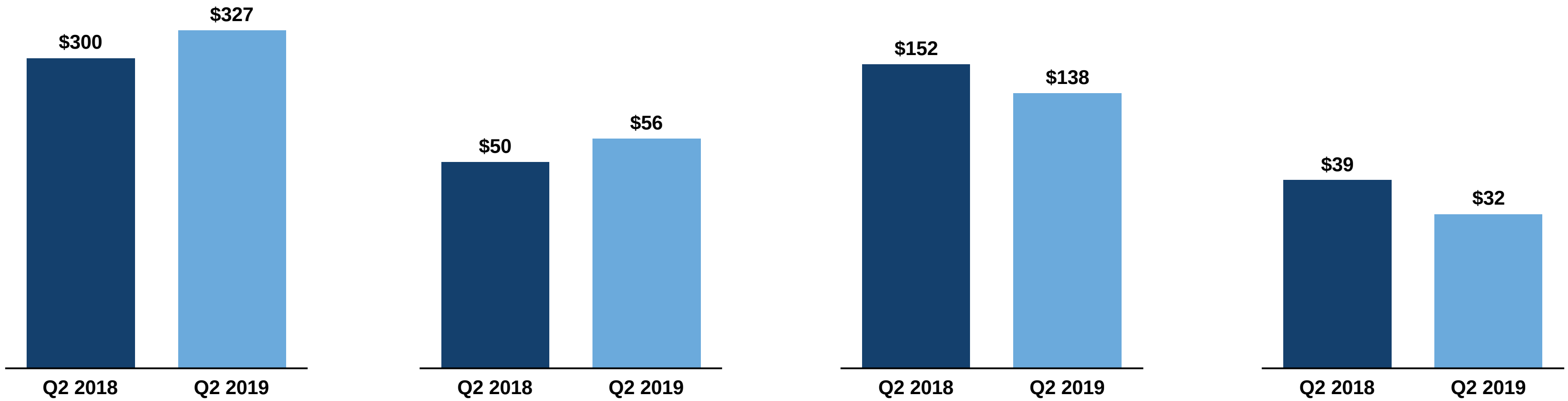
Revenue

Adjusted EBITDA[1]

Batesville

Revenue

Adjusted EBITDA[1]



Process Equipment Group

Q2 2019 Summary:

- Revenue of $327 million was up 9% over the prior year primarily driven by continued strong demand for large plastics projects along with an incremental 2% from the acquisition of BM&M Screening Solutions announced last quarter; foreign currency decreased revenue by 5%
- Adjusted EBITDA margin[1] of 17.0% increased 40 basis points driven primarily by operating expense leverage, partially offset by the increased proportion of lower margin, large systems projects in plastics and cost inflation

Batesville

Q2 2019 Summary:

- Revenue of $138 million decreased 9.5% from the prior year as a result of lower demand for burial caskets, primarily driven by lower estimated deaths and the increased rate at which families opted for cremation
- Adjusted EBITDA margin[1] of 22.9% 240 basis points lower than the prior year mainly driven by lower volume and cost inflation, partially offset by productivity gains

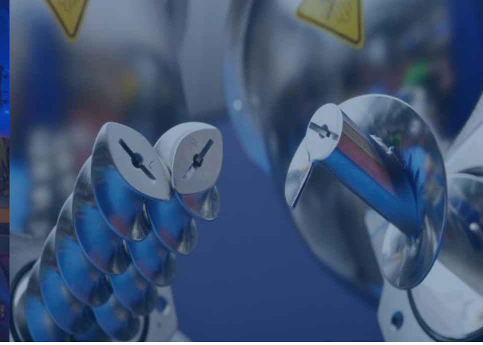
[1]Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Hillenbrand Outlook: FY 2019 Guidance

Revenue Range			
Batesville	-3%	–	-1%
PEG[1]	3%	–	5%
Total[2]	**1%**	**–**	**3%**

EPS Range			
FY19 Adjusted EPS[3,4]	**2.45**	**–**	**2.60**

[1] Includes negative FX impact of ~3%
[2] Includes negative FX impact of ~2%
[3] Includes negative FX impact of ~2%
[4] Adjusted EPS is a non-GAAP measure. See appendix for reconciliation.

Q&A

Replay Information

- **Dial-in for US and Canada: 1 (800) 585-8367**
- **Dial-in for International: +1 (416) 621-4642**
- **Conference ID: 5294659**
- **Encore Replay Dates: 5/2/2019 – 5/16/2019**
- **Log on to: http://ir.hillenbrand.com**

Appendix

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 generally referred to as "adjusted" and exclude expenses associated with impairment charges, business acquisition, development, and integration, restructuring and restructuring related charges, inventory step-up, and backlog amortization. The related income tax for all of these items is also excluded. These non-GAAP measures also exclude the non-recurring tax benefits and expenses related to the Tax Act and Jobs Act (the "Tax Act"). 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"). 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 operational measure used is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in industries with extended lead times for order fulfillment (long-term contracts), like those in which our Process Equipment Group competes. 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 and equipment, as well as replacement parts, components, and service. Given that there is no GAAP financial measure comparable to backlog, a quantitative reconciliation is not provided.

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. The Company believes this information provides a higher degree of transparency.

Q2 FY19 & Q2 FY18 Reconciliation of Adjusted EBITDA to Consolidated Net Income

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Adjusted EBITDA:				
Process Equipment Group	$ 55.5	$ 49.9	$ 101.7	$ 95.5
Batesville	31.6	38.6	58.3	66.5
Corporate	(12.2)	(12.2)	(21.0)	(20.5)
Less:				
Interest income	(0.2)	(0.3)	(0.4)	(0.8)
Interest expense	5.4	6.0	10.9	12.3
Income tax expense	13.8	13.6	28.3	37.3
Depreciation and amortization	15.1	14.0	29.2	27.8
Business acquisition, development, and integration	0.5	0.2	1.1	2.5
Inventory step-up	0.1	-	0.2	-
Restructuring and restructuring related	0.7	0.7	1.2	1.2
Impairment charge	-	63.4	-	63.4
Consolidated net income (loss)	$ 39.5	$ (21.3)	$ 68.5	$ (2.2)

$ in millions

Q2 FY19 & Q2 FY18 Reconciliation of Non-GAAP Measures

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
Net Income (loss) (1)	$ 38.0	$ (21.9)	$ 66.3	$ (3.8)
Impairment charge	-	63.4	-	63.4
Restructuring and restructuring related	0.7	0.7	1.2	1.2
Business acquisition, development, and integration	0.5	0.2	1.1	2.5
Inventory step up	0.1	-	0.2	-
Backlog amortization	1.1	-	1.4	-
Tax Act (2)	-	0.6	1.8	14.9
Tax effect of adjustments	(0.6)	(1.4)	(1.0)	(2.1)
Adjusted Net Income (1)	$ 39.8	$ 41.6	$ 71.0	$ 76.1

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
Diluted EPS	$ 0.60	$ (0.34)	$ 1.05	$ (0.06)
Impairment charge	-	1.00	-	1.00
Restructuring and restructuring related	0.01	0.01	0.02	0.02
Business acquisition, development, and integration	0.01	-	0.02	0.04
Inventory step up	-	-	-	-
Backlog amortization	0.02	-	0.02	-
Tax Act (2)	-	0.01	0.03	0.23
Tax effect of adjustments	(0.01)	(0.02)	(0.02)	(0.03)
Non-GAAP dilutive shares excluded from GAAP EPS calculation(3)	-	(0.01)	-	(0.01)
Adjusted Diluted EPS	$ 0.63	$ 0.65	$ 1.12	$ 1.19

$ in millions, except per share data

[1]Net income attributable to Hillenbrand

[2]The revaluation of the deferred tax balances, the tax on unremitted foreign earnings, and change in deferred tax liability as a result of revising our permanent reinvestment assertion on earnings of foreign subsidiaries driven by the Tax Act

[3]Due to the occurrence of a net loss on a GAAP basis, potentially dilutive shares were excluded from the calculation of GAAP earnings per share, as they would have an anti-dilutive effect. However, as net income was earned on an adjusted basis, these shares have a dilutive effect on adjusted earnings per share and are included here

Reconciliation of FY19 EPS Guidance Range

	Full-Year 2019 Outlook				
GAAP earnings per share	$	2.38	-	$	2.53
Non-GAAP adjustments[1]		0.07	-		0.07
Adjusted earnings per share	$	2.45	-	$	2.60

[1]Non-GAAP adjustments include restructuring and restructuring related, business acquisition, development, and integration, and other