

HILLENBRAND

Q2 FY 2020
EARNINGS CALL PRESENTATION

May 7, 2020



Hillenbrand Participants

Joe Raver
President & Chief Executive Officer

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Senior Vice President & Chief Financial Officer

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Senior Director, Investor Relations

Disclosure Regarding Forward-Looking Statements

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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 (the "Company") 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
become	pursue	estimate	will	forecast	continue	could	anticipate
target	impact	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. These factors include, but are not limited to: the impact of contagious diseases such as the COVID-19 pandemic and the societal, governmental, and individual responses thereto, including supply chain disruptions, loss of contracts and/or customers, erosion of some customers' credit quality, closure or temporary interruption of the Company's or suppliers' manufacturing facilities, travel, shipping and logistical disruptions, loss of human capital or personnel, and general economic calamities; the outcome of any legal proceedings that may be instituted against the Company, or any companies we may acquire; risks that the integration of Milacron or any other integration, acquisition, or disposition activity disrupts current operations or poses potential difficulties in employee retention or otherwise affects financial or operating results; the ability to recognize the benefits of the acquisition of Milacron or any other acquisition or disposition, including potential synergies and cost savings or the failure of the Company or any acquired company to achieve its plans and objectives generally; global market and economic conditions, including those related to the credit markets; volatility of our investment portfolio; adverse foreign currency fluctuations; involvement in claims, lawsuits and governmental proceedings related to operations; our reliance upon employees, agents, and business partners to comply with laws in many countries and jurisdictions; labor disruptions; the impact of the additional indebtedness that the Company has incurred in connection with the acquisition of Milacron and the ability of the Company to comply with financial or other covenants in its debt agreements or meet its de-leveraging goals; the dependence of our business units on relationships with several large providers; increased costs or unavailability of raw materials or certain outsourced services; continued fluctuations in mortality rates and increased cremations; competition in the industries in which we operate, including from nontraditional sources in the death care industry; our level of international sales and operations; cyclical demand for industrial capital goods; impacts of decreases in demand or changes in technological advances, laws, or regulation on the revenues that we derive from the plastics industry; certain tax-related matters; and changes to legislation, regulation, treaties or government policy, including any resulting from the current political environment. For a more in-depth discussion of these and other 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, 2019, filed with the Securities and Exchange Commission ("SEC") on November 13, 2019, and in Part II, Item 1A of Hillenbrand's Form 10-Q for the quarter ended March 31, 2020, filed with the Securities and Exchange Commission on May 6, 2020. The forward-looking information in this presentation speaks only as of the date covered by this report, and we assume no obligation to update or revise any forward-looking information.

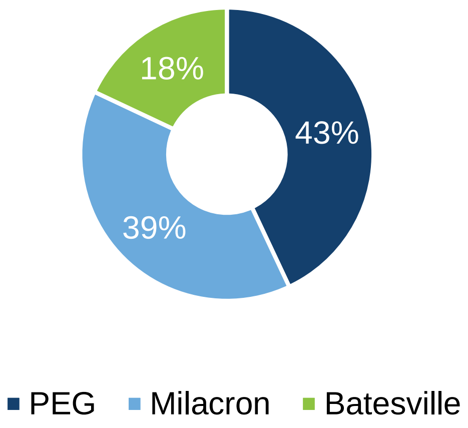
Hillenbrand Snapshot (NYSE: HI)

HILLENBRAND

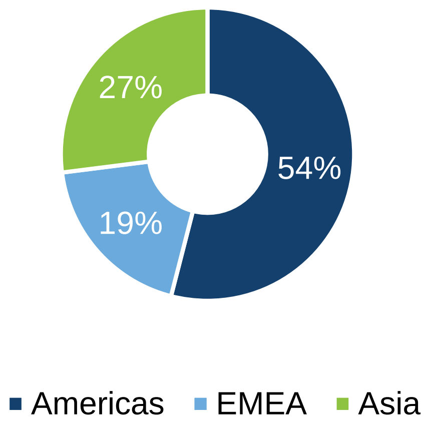
Global Diversified Industrial Company that Engineers, Manufactures, and Sells Products and Services into a Variety of End Markets

Founding Year	**1906**
Headquarters	**Batesville, IN**
Employees[1]	**~12,000**
Locations[1,2]	**50+**
Revenue[3]	**$3.0B**
Adj. EBITDA Margin[3,4]	**17.7%**

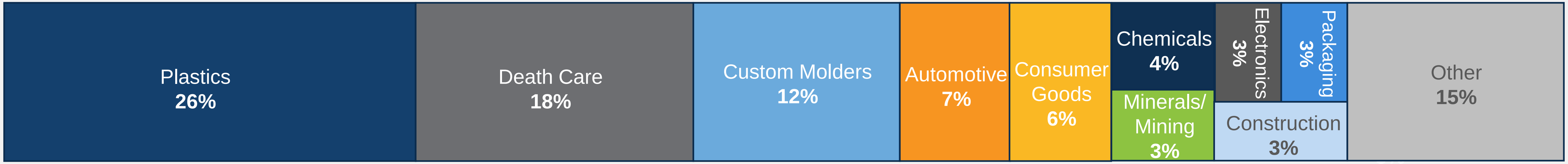
Revenue by Segment[3]



Revenue by Geography[3,5]



Diversified End Markets[3]



[1] As of 4/15/2020. [2] Includes headquarters, significant manufacturing and sales & technical locations. [3] Represents total of previously disclosed Hillenbrand financial data for FYE 9/30/2019 and Milacron financial data for FYE 12/31/2019. [4] Adjusted EBITDA is a non-GAAP measure. See appendix for GAAP reconciliation. [5] Based on customer location.

COVID-19 Preparedness and Response: Acting Compassionately and Decisively

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Enhanced Safety Protocols

- **Established COVID-19 Task Force** and implemented a governance structure with a frequent cadence of reviews at operating company, enterprise, and Board levels
  - **Work from home** for non-essential onsite employees
  - **Physical distancing** procedures for employees who need to be onsite
  - **Reinforced protocol** around feeling ill
  - **Documented response plan and protocols** to help protect the safety of all associates
  - **Hand-washing and hygiene practices** across all sites
  - Additional **personal protective equipment**

Positive Operational Status

- All major global production locations **open and operating** at or near normal production levels and **deemed essential**
- In **close contact with** suppliers to manage the supply chain and working with key suppliers on contingency plans
- **Leveraging global manufacturing and flexible supply chains** to move production to different regions as needed

Consulting regularly with key health authorities, regulatory organizations, and local governments; updating response plans as new information becomes available and observing governmental and health authorities' guidelines

Risk Profile Across Portfolio

Business		% of Revenue[1]	Near-term Recessionary Downside Risk	Recent Order Trend (April 2020)	Business Characteristics
Equipment and Systems	Long-cycle	~50%		→	• Strong backlog, healthy orders pipeline and good cash profile
	Mid-cycle			↘	• Exposure to auto, which was experiencing softening demand pre-COVID • Contending with India closure and customer disruptions due to COVID-19 pandemic
	Short-cycle			↗	• Exposure to auto, which was experiencing softening demand pre-COVID • Opportunity in medical, packaging and consumer products
Aftermarket		~25%		↘	• Resilient, quick recovery • Higher margin business • Pressure from low machine utilization
Batesville		~20%		↗	• Non-cyclical, recession resistant • Track record of productivity and lean • Stable cash flow

Higher Risk | | Lower Risk

[1] Q2 FY20; excludes 4% of revenue from Cimcool

Making Solid Progress on Integrating Milacron

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Key Milestones Achieved this Quarter

- **Integration proceeding as planned,** despite unexpected challenges associated with COVID-19
- **Completed sale of Cimcool** business for ~$224M on March 30
- **Initiated restructuring activities** resulting in a facility closure and reduction in fixed costs
- **Achieved $9M of cost synergies** to date driven by reduction of duplicate public company cost

Identifying and Capturing Strategic Benefits

- **Strong product and technology positions** across plastics value chain; revenue synergy opportunities across portfolio
- **Attacking new/current markets** with broader offering sharing R&D and technology to serve evolving needs (e.g., recycling)
- **Achieving supply chain and operating efficiencies** through leveraging our global footprint and spend
- **Building a scalable back office**: working capital / global functions / business services
- **Leveraging HOM playbook to drive margins**, especially in injection molding and extrusion product lines (formerly APPT)

$50M

Expected Run-rate Cost Synergies within 3 Years Post-close

- ✓ **Reducing** public company costs
- ✓ **Realizing** operating efficiencies
- ✓ **Capturing** (in)direct spend opportunities

$20-25M

Year 1 Target

- ✓ **On track to realize synergies within fiscal 2020**

Adapting Our Strategy for the Current Environment

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Strengthen and Build Platforms Organically and through M&A

Emerging capabilities in products and recycling

Leverage Batesville for Cash

Counterbalance to PEG and Milacron with stable cash flow

Build Scalable Foundation Utilizing Hillenbrand Operating Model (HOM)

Opportunity to roll out HOM across Milacron businesses

Effectively Deploy Strong Free Cash Flow

Selectively investing to capture market share when demand returns

HIGHLIGHTS

- ✓ Focus in niche markets, specifically plastics and chemicals, food and pharma, and separation
- ✓ Expanded product offering via acquisition of Milacron
- ✓ In the 2015 / 2016 Industrial Recession, PEG margin expanded ~250 basis points[1]

Seasoned Management Team Balancing Near-term Priorities with Unwavering Focus on Long-term

[1] Represents Adjusted EBITDA margin expansion from FY 2014 – FY 2016

Consolidated Performance – Q2 FY 2020 ($M)

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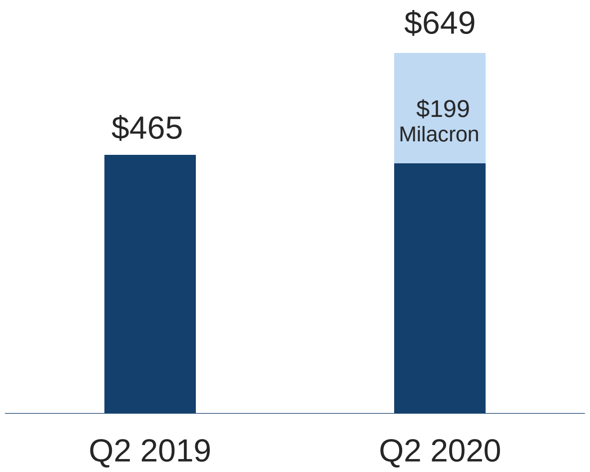
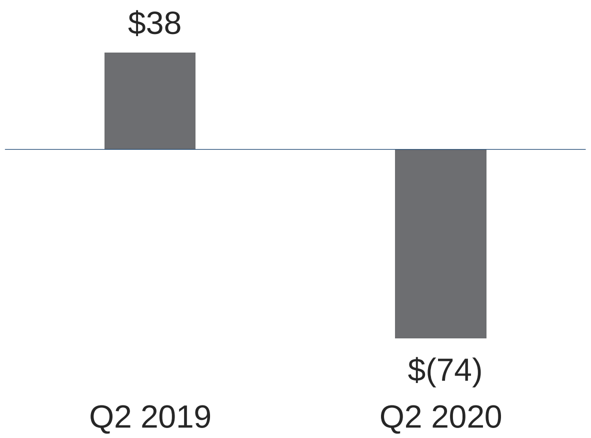
Revenue

+40%



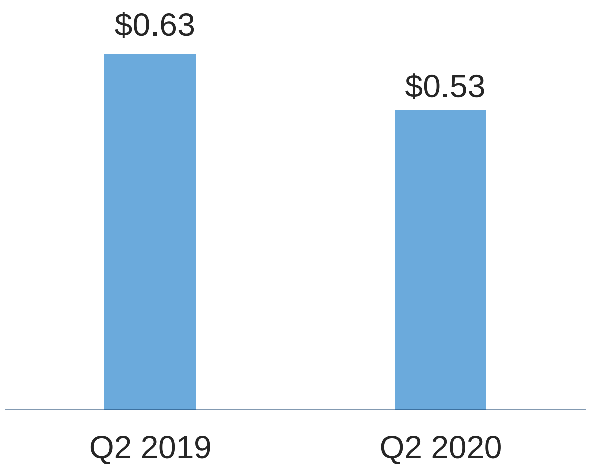
GAAP Net (Loss) Income[1]

-295%



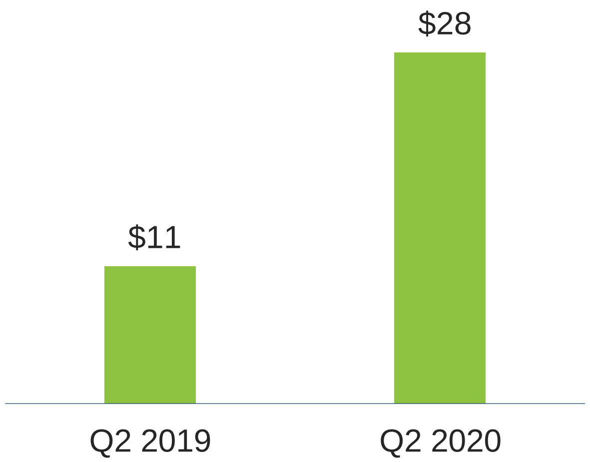
Adj. EPS[2]

-16%



Operating Cash Flow

+150%



Performance Highlights

- Milacron segment contributed an increase of 43% in its first full quarter as part of Hillenbrand; Revenue decreased 3% organically
- GAAP EPS of ($0.99) decreased $1.59, primarily as a result of impairment and acquisition-related charges
- Adj. EBITDA[2] of $111 million increased 48% and adj. EBITDA margin[2] of 17.0% increased 90 bps
- Achieved record backlog of $1.17B, up 22% driven by the addition of Milacron; Organic backlog up 2% vs. prior year

Business Update

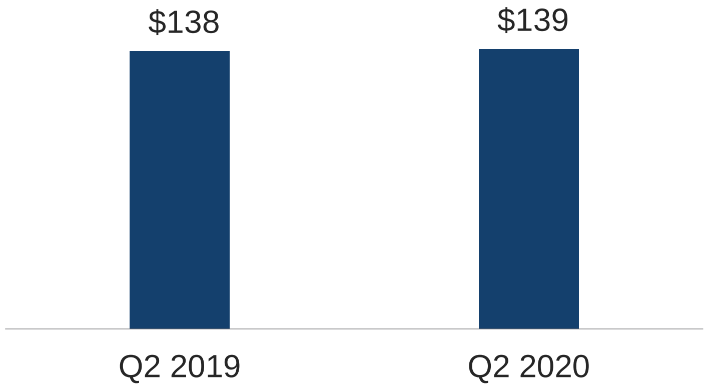
- Completed sale of Cimcool for ~$224M; positive outcome in current environment
- Leadership mobilized to mitigate COVID-19 impact; executing cost management program and strengthening liquidity
- April trends were mixed, as Batesville saw strong volume while PEG and Milacron experienced softer demand for new orders

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

Segment Performance: Batesville ($M)

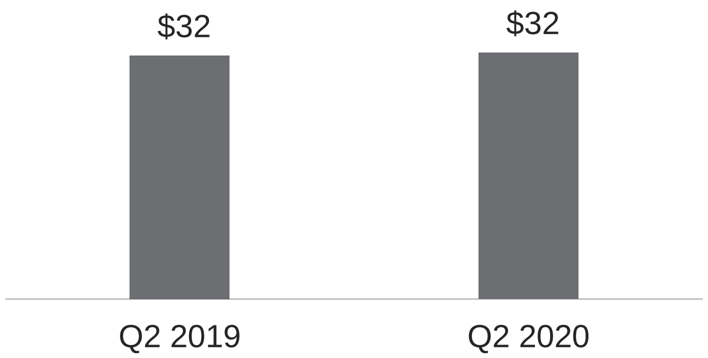
Revenue

+1%



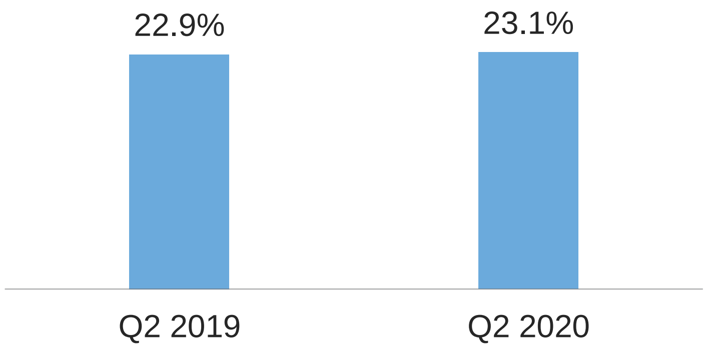
Adj. EBITDA[1]

+1%



Adj. EBITDA Margin[1]

+20 bps



Performance Highlights

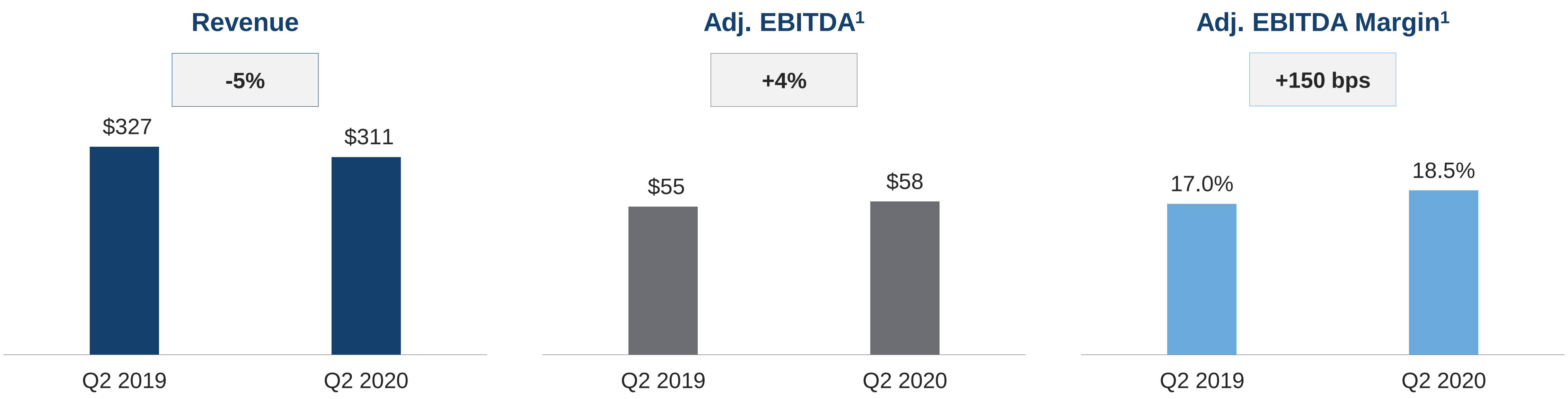
- Revenue of $139 million increased 1% over the prior year; the increase in revenue was primarily driven by higher volume, despite an estimated decrease in North American burials due to an increased rate at which families opted for cremation
- Adj. EBITDA margin of 23.1% improved by 20 bps over the prior year driven primarily by productivity initiatives and higher volume, partially offset by inflation in wages and benefits

Business Update

- Batesville experienced increased demand late in the fiscal second quarter, which continued through April, in certain markets reporting increased mortality associated with the COVID-19 pandemic
- Continued focus on discretionary cost controls

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

Segment Performance: Process Equipment Group ($M)



Performance Highlights

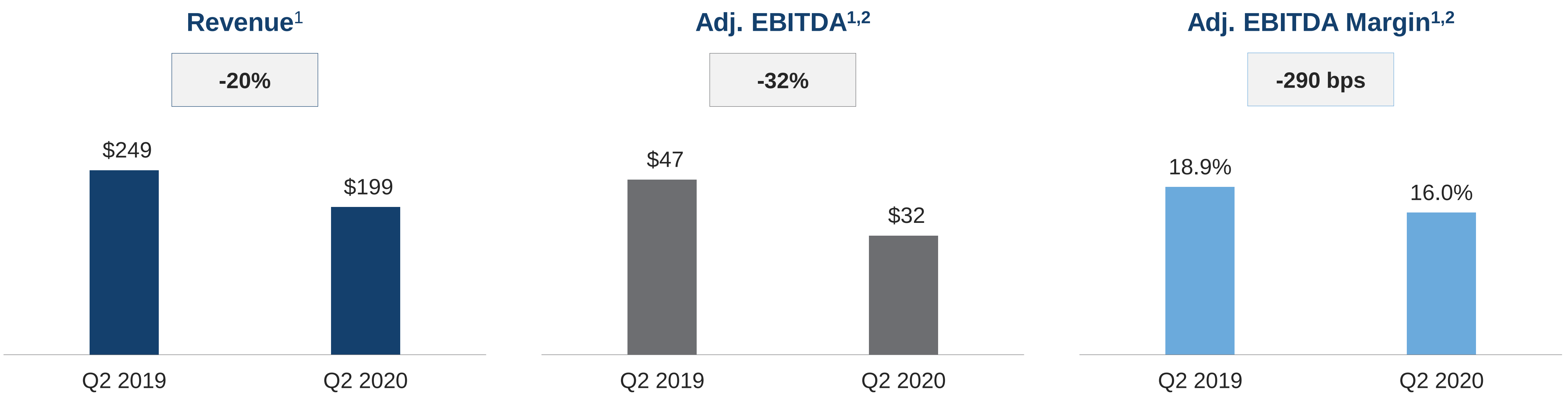
- Revenue of $311 million decreased 5% compared to the prior year due to lower demand for capital equipment, including screening and separating equipment used for proppants, partially offset by favorable pricing and a 4% increase in aftermarket revenue; the decline also included an unfavorable foreign currency impact of 2%
- Adjusted EBITDA margin of 18.5% increased 150 basis points due to pricing and productivity improvements, and cost controls, partially offset by inflation and the increased proportion of lower margin, large systems projects and the decline of higher margin separating equipment
- Record backlog of $982M, up 2% over prior year and up 9% sequentially

Business Update

- We continue to see normal activity related to large polyolefin systems and existing projects remained on track
- In April, order patterns slowed for aftermarket parts and service and for capital equipment for the remainder of the segment
- Continued focus on discretionary cost controls

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

Segment Performance: Milacron ($M)



Performance Highlights

- Milacron revenue of $199 million decreased 20% compared to the prior year due to continued softness for injection molding equipment and hot runner systems in certain end markets, including automotive; demand pressure was further exacerbated by the impact of COVID-19
- Adjusted EBITDA margin of 16.0% decreased 290 basis points vs. the prior year primarily due to lower volume
- Backlog of $187M decreased 17% year over year due to lower injection molding and extrusion equipment orders; however, backlog grew 28% sequentially for both hot runner systems and injection molding equipment

Business Update

- Injection molding and extrusion equipment saw a sequential increase in orders in the fiscal second quarter, but that momentum slowed in March and continued to decline in April
- Order rates for hot runner systems, however, improved in March and April versus January and February, as government shutdowns in China were relaxed or lifted, and demand for medical and pharmaceutical projects increased due to the COVID-19 pandemic
- Continued focus on discretionary cost controls

[1] Q2 FY20 Results include Cimcool from 1/1/20 – 3/29/20; [2] Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. See appendix for GAAP reconciliation.

Capital Position and Liquidity

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Liquidity

($M)	
Cash	$374
Revolver Availability *(covenant-based)*	$160
Total Liquidity	**$534**

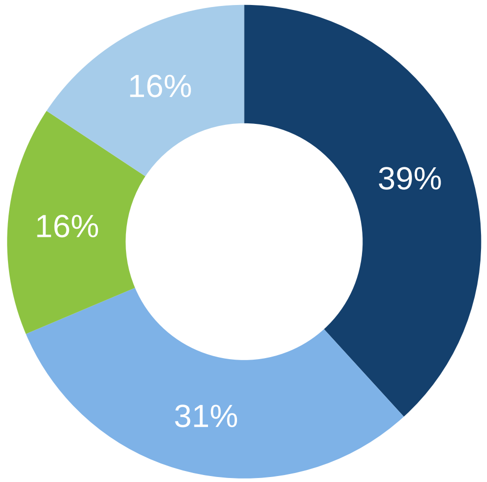
($M)	3/31/20	Maturity
$900M Revolver	$538	2024
Term Loan A-1	$492	2024
Term Loan A-2	$222	2022
10-yr Bonds at 5.5%	$150	2020
10-yr Notes at 4.6%	$100	2024
7-yr Bonds at 4.5%	$370	2026

Comments

- Net debt of $1.5 billion; net leverage of 3.5x; prior to that, was below 2.0x for 10 consecutive quarters between Q3 FY 2017 and Q4 FY 2019
- Weighted average interest rate of 3.7% (as of Mar 2020)
- History of paying down debt quickly following acquisitions
- Q2 FY20 Operating cash flow of $28M, increased 150% primarily due to improved working capital requirements
- Continued working capital focus
- Company-wide cost actions in response to COVID-19, including reduced CapEx

Capital Deployment Priorities

Capital Allocation FY16 – FY19



	Adapting to Current Environment
Reduce Debt • Prior to Milacron acquisition, Net Debt to EBITDA of <1.0x • Current net debt of $1.5B with a Net Debt to Adj. EBITDA of 3.5x • History of prioritizing and paying down debt post acquisition (Coperion)	**Priority #1;** portion of Cimcool sale proceeds used to pay down debt
Reinvest in the Business • Drive innovation and new product development • Expand into new end markets and geographies • Annual capex target of <2% of revenue	**Near-term CapEx reduction of ~$40M;** Continued focus on R&D and technology to serve evolving customer needs (e.g. recycling)
Return Cash to Shareholders • Dividend yield of 4.4%[1] • Twelve consecutive years of $0.01 per share increases • Opportunistic share repurchases, primarily to offset dilution	**Funding the dividend** Continued suspension of share repurchase program; decision made in tandem with Milacron acquisition announcement
Strategic Acquisitions • Strategic focus: strengthen existing leadership positions and build targeted platforms • Remain target disciplined; seek acquisitions with compelling financial returns	**Curtailing M&A activity**

[1] As of 3/31/20.

Proactive Expense and Cash Management

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Self-Adjusting Costs

- ✓ Incentive bonus
- ✓ T&E

Investments

- ✓ Investment reprioritization
- ✓ CapEx reduction
- ✓ Temporary suspension of buybacks

Operational Costs

- ✓ Hiring freeze for non-critical roles
- ✓ CEO 30% salary reduction for remainder of FY20
- ✓ BoD scheduled cash compensation increase waiver for FY20
- ✓ Merit-based cancellations for FY20 (US and Canada)
- ✓ Reduction in discretionary spend
- ✓ Employee furloughs
- ✓ Headcount reduction

~$50 Million

Near-term savings including synergies

And ~$40M of CapEx

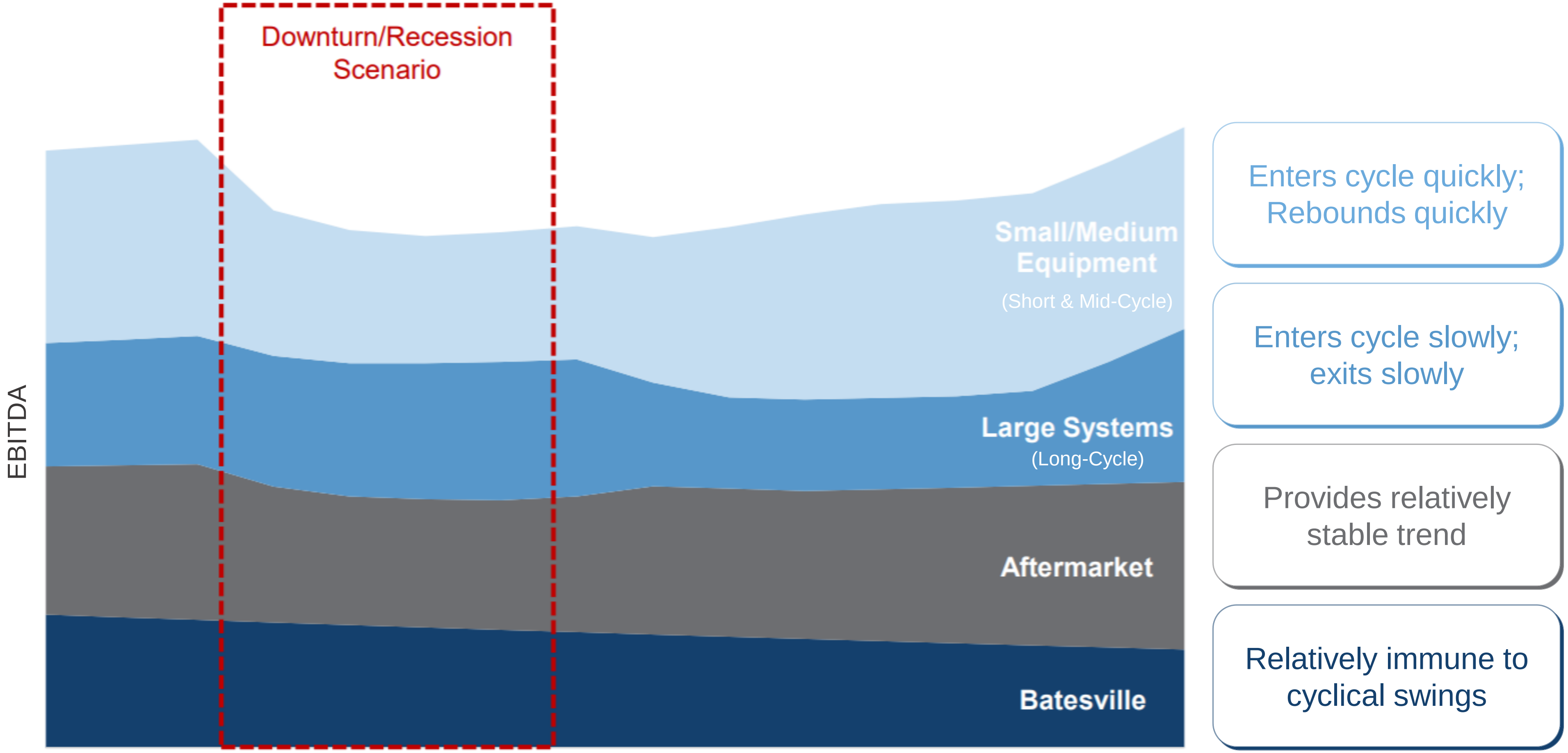
reduction while prioritizing safety, regulatory, and maintenance projects

Flexibility To Adjust Upward / Downward Based on the Economic Situation

Ability to Generate Cash Flow through the Cycle

Timing and Magnitude of Downturns Affect Businesses Differently

- Backlog includes significant number of large, long-dated projects
- Small to medium equipment enter / exit cycles more quickly
- Aftermarket parts and service move in / out of cycles rapidly
- Milacron's businesses track differently



Portfolio Diversity Expected to Provide Sufficient Buffer to Navigate through Different Macro Environments

Note: Chart is illustrative and commentary is based on historical experience.

Update and Assumptions

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Guidance Note

- On April 6, 2020, suspended FY 2020 guidance given the uncertainty related to the impact of the COVID-19 virus on our business

Financial Reporting Note

- In consideration of the Milacron acquisition, beginning fiscal Q3 2020, the Company plans to report adjusted EPS results that exclude after-tax acquisition-related intangible amortization
- The Company believes reporting adjusted EPS in this manner better reflects its core operating results and offers greater consistency and transparency

Potential FY 2020 Margin Scenario

PEG / Milacron	**~40%** Decremental	Decremental margins based on existing cost structure; monitoring economic environment and will take actions as needed to mitigate decremental margin as volumes decline
Batesville	**~20-21%** Full Year Adj. EBITDA Margin[1]	Continued focus on driving productivity to maintain margins

FY 2020 Current Assumptions

Depreciation	~$56M
Intangible Amortization[1]	~$62M
Interest Expense	~$75M
Adj. ETR	~27-28%
Avg. Dil. Share Count	73.5M

[1] Adjusted basis, excluding backlog amortization

[1] Adjusted EBITDA margin is a non-GAAP measure. See appendix for further information.

Key Takeaways

01

Protecting Our Workforce and Ensuring We **Deliver on Customer Needs**

02

Preserving Financial Flexibility through Cost Management and Laser-focus on Working Capital

03

Capturing Year 1 Cost Synergies On-track

04

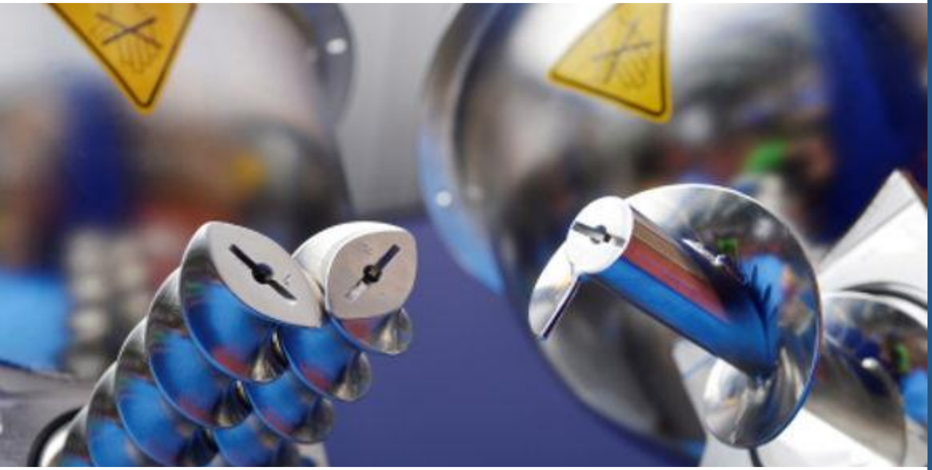
Successfully Integrating Milacron and Maximizing Combined Company Benefits

05

Advancing Our Long-term Strategy with a Focus on Strengthening & Building Scalable Platforms; Leveraging Batesville for Cash; Building Scalable Foundation Utilizing HOM; Effectively Deploying Free Cash Flow



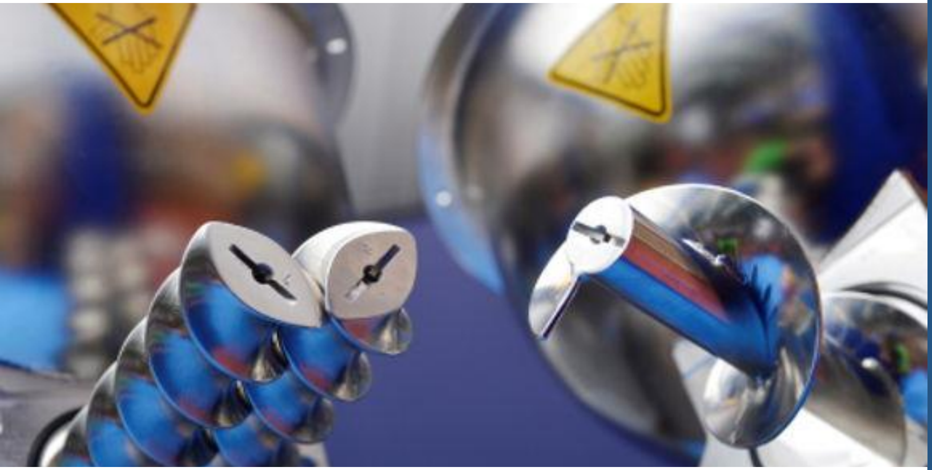




Q&A

Replay Information

- Dial-in for US and Canada: 1 (800) 585-8367
- Dial-in for International: +1 (416) 621-4642
- Conference ID: 5866796
- Encore Replay Dates: 5/8/2020 – 5/21/2020
- Log-on to: http://ir.hillenbrand.com



APPENDIX

Disclosure Regarding Non-GAAP Measures

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While we report financial results in accordance with United States generally accepted accounting principles (GAAP), we also provide certain non-GAAP operating performance measures. 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;
- asset impairment charges;
- inventory step-up charges;
- backlog amortization;
- debt financing activities related to the acquisition of Milacron;
- net loss on divestiture of Cimcool;
- the related income tax impact for all of these items; and
- non-recurring tax benefits and expenses related to the interaction of certain provisions of the Tax Cuts and Jobs Act of 2017 (the "Tax Act") and certain tax items related to the acquisition of Milacron and divestiture of Cimcool.

Non-GAAP information is provided as a supplement to, 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 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. Adjusted EBITDA is not a recognized term under U.S. GAAP and therefore does not purport to be an alternative to net (loss) income. Further, Hillenbrand's measure of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Another important non-GAAP 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 and Milacron businesses compete. Backlog represents the amount of consolidated revenue that we expect to realize on contracts awarded related to the Process Equipment Group and Milacron. For purposes of calculating backlog, 100% of estimated revenue attributable to consolidated subsidiaries is included. 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.

Reconciliation of Adjusted EBITDA to Consolidated Net (Loss) Income

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	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Adjusted EBITDA:				
Process Equipment Group	$ 57.5	$ 55.5	$ 109.0	$ 101.7
Milacron	31.9	-	58.2	-
Batesville	32.0	31.6	55.0	58.3
Corporate	(10.8)	(12.2)	(19.7)	(21.0)
Less:				
Interest income	(0.6)	(0.2)	(1.9)	(0.4)
Interest expense	20.9	5.4	35.6	10.9
Income tax expense (benefit)	1.8	13.8	(10.6)	28.3
Depreciation and amortization	38.6	15.1	64.5	29.2
Impairment charges	82.5	-	82.5	-
Business acquisition, disposition, and integration costs	8.0	0.5	61.8	1.1
Restructuring and restructuring-related charges	0.7	0.7	3.1	1.2
Inventory step-up	27.5	0.1	37.1	0.2
Net loss on divestiture	3.0	-	3.0	-
Other	0.4	-	0.4	-
Consolidated net (loss) income	$ (72.2)	$ 39.5	$ (73.0)	$ 68.5

Reconciliation of Non-GAAP Measures

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	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Net (loss) income attributable to Hillenbrand	$ (74.0)	$ 38.0	$ (77.1)	$ 66.3
Impairment charges	82.5	-	82.5	-
Business acquisition, disposition, and integration costs	8.0	0.5	61.8	1.1
Restructuring and restructuring-related charges	0.7	0.7	3.1	1.2
Inventory step-up	27.5	0.1	37.1	0.2
Backlog amortization	5.8	1.1	10.0	1.4
Net loss on divestiture	3.0	-	3.0	-
Debt financing activities	0.4	-	2.0	-
Other	0.4	-	0.4	-
Tax effect of adjustments	(29.8)	-	(48.0)	(1.0)
Tax adjustments	15.4	(0.6)	8.0	1.8
Adjusted net income attributable to Hillenbrand	$ 39.9	$ 39.8	$ 82.8	$ 71.0

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Diluted EPS	$ (0.99)	$ 0.60	$ (1.07)	$ 1.05
Impairment charges	1.10	-	1.15	-
Business acquisition, disposition, and integration costs	0.11	0.01	0.86	0.02
Restructuring and restructuring-related charges	0.01	0.01	0.04	0.02
Inventory step-up	0.37	-	0.52	-
Backlog amortization	0.08	0.02	0.14	0.02
Net loss on divestiture	0.04	-	0.04	-
Debt financing activities	-	-	0.03	-
Other	-	-	-	-
Tax effect of adjustments	(0.40)	(0.01)	(0.67)	(0.02)
Tax adjustments	0.21	-	0.11	0.03
Adjusted Diluted EPS	$ 0.53	$ 0.63	$ 1.15	$ 1.12