

Filed by Hillenbrand, Inc.
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and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934

Subject Company: Milacron Holdings Corp.
Commission File No.: 001-37458
Date: September 9, 2019



HILLENBRAND

Our Transformation Continues

September 2019

Cautionary Statements

This presentation contains statements, including statements regarding the proposed acquisition of Milacron Holdings Corp. ("Milacron") by Hillenbrand, Inc. ("Hillenbrand") that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, financings, share repurchases and other measures of financial performance or potential future plans or events, strategies, objectives, expectations, beliefs, prospects, assumptions, projected costs or savings or transactions of Hillenbrand, Milacron or the combined company following Hillenbrand's proposed acquisition of Milacron (the "Proposed Transaction"), the anticipated benefits of the Proposed Transaction, including estimated synergies, the expected timing of completion of the transaction and other statements that are not strictly historical in nature. In some cases, forward-looking statements can be identified by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing," "outlook," "guidance" and similar expressions, although not all forward-looking statements contain these words. 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 statement due to any number of factors. These factors include, but are not limited to: the impact of the 2017 Tax Cuts and Jobs Act, enacted by the U.S. government on December 22, 2017, on Hillenbrand's or Milacron's financial position, results of operations, and cash flows; the outcome of any legal proceedings that may be instituted against Hillenbrand, Milacron or any companies each may acquire; global market and economic conditions, including those related to the credit and equity markets and international trade related matters, tariffs and other trade matters; volatility of our respective investment portfolios; adverse foreign currency fluctuations; involvement in claims, lawsuits and governmental proceedings related to operations; labor disruptions; the dependence of Hillenbrand's business units on relationships with several large providers; demand for our respective products being significantly affected by general economic conditions; increased costs or unavailability of raw materials; continued fluctuations in mortality rates and increased cremations; competition from nontraditional sources in the death care industry; any decline in the use of plastic; cyclical demand for industrial capital goods; the competitiveness of the industries in which we operate and the financial resources of our competitors; certain tax-related matters; changes to legislation, regulation, treaties or government policy, including any resulting from the current political environment; the ability of Hillenbrand and Milacron to receive the required regulatory approvals for the Proposed Transaction, or that such regulatory approvals are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the Proposed Transaction; the ability of Milacron to receive the approval of Milacron's stockholders and the ability of Milacron and Hillenbrand to satisfy the other conditions to the closing of the Proposed Transaction on a timely basis or at all; the occurrence of events that may give rise to a right of one or both of Hillenbrand and Milacron to terminate the merger agreement; negative effects of the announcement or the consummation of the Proposed Transaction on the market price of Hillenbrand's and/or Milacron's common stock and/or on their respective businesses, financial conditions, results of operations and financial performance (including the ability of Milacron to maintain relationships with its customers, suppliers and others with whom it does business); uncertainties as to access to available financing of the Proposed Transaction (including financing for the Proposed Transaction) on a timely basis and on reasonable terms; uncertainties as to the long-term value of the common stock of Hillenbrand following the merger, including the dilution caused by Hillenbrand's issuance of additional shares of its common stock in connection with the Proposed Transaction; the impact of the additional indebtedness Hillenbrand will incur in connection with the Proposed Transaction; risks relating to the value of the Hillenbrand shares to be issued in the Proposed Transaction; significant transaction costs and/or unknown liabilities of the Proposed Transaction; the possibility that the anticipated benefits from the Proposed Transaction cannot be realized by Hillenbrand in full or at all or may take longer to realize than expected; risks related to disruption of Milacron's management's attention from Milacron's ongoing business operations due to the Proposed Transaction; risks associated with contracts containing consent and/or other provisions that may be triggered by the Proposed Transaction; risks associated with transaction-related litigation; the possibility that costs or difficulties related to the integration of Milacron's operations with those of Hillenbrand will be greater than expected; the ability of Milacron and the combined company to retain and hire key personnel; the impact of new or changes in current laws, regulatory or other industry standards, including privacy and cybersecurity laws and regulations; and events beyond Hillenbrand's and Milacron's control, such as acts of terrorism. There can be no assurance that the Proposed Transaction or any other transaction described above will in fact be consummated in the manner described or at all. Stockholders, 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 additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, please see Hillenbrand's and Milacron's reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC") and other written statements made by Hillenbrand and/or Milacron from time to time. The forward-looking information herein is given as of this date only, and neither Hillenbrand nor Milacron undertakes any obligation to revise or update it.

Cautionary Statements

Additional Information and Where to Find It

In connection with the proposed acquisition by Hillenbrand of Milacron (the "Proposed Transaction"), Hillenbrand will file with the SEC a registration statement on Form S-4 to register the shares of Hillenbrand's common stock to be issued in connection with the Proposed Transaction. The registration statement will include a document that serves as a prospectus of Hillenbrand and a proxy statement of Milacron (the "proxy statement/prospectus"), and each party will file other documents regarding the Proposed Transaction with the SEC. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS, INCLUDING ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE, BECAUSE THEY DO AND THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.** A definitive proxy statement/prospectus will be sent to Milacron's stockholders when it becomes available. Investors and security holders will be able to obtain the registration statement and the proxy statement/prospectus free of charge from the SEC's website or from Hillenbrand or Milacron when it becomes available. The documents filed by Hillenbrand with the SEC may be obtained free of charge at Hillenbrand's website at www.hillenbrand.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Hillenbrand by requesting them by mail at Hillenbrand, Inc., One Batesville Boulevard, Batesville, IN 47006, or by telephone at (812) 931-6000. The documents filed by Milacron with the SEC may be obtained free of charge at Milacron's website at www.Milacron.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Milacron by requesting them by mail at Milacron Holdings Corp., 10200 Alliance Road, Suite 200, Cincinnati, OH, 45242, or by telephone at (513) 487-5000.

Participants in the Solicitation

Hillenbrand, Milacron and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from Milacron's stockholders with respect to the Proposed Transaction. Information about Hillenbrand's directors and executive officers is available in Hillenbrand's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 filed with the SEC on November 13, 2018 and its definitive proxy statement for the 2019 annual meeting of shareholders filed with the SEC on January 2, 2019. Information concerning the ownership of Milacron's securities by Milacron's directors and executive officers is included in their SEC filings on Forms 3, 4 and 5, and additional information regarding the names, affiliations and interests of such individuals is available in Milacron's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on February 28, 2019 and its definitive proxy statement for the 2019 annual meeting of shareholders filed with the SEC on March 15, 2019. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statement, the proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the Proposed Transaction when they become available. Stockholders, potential investors and other readers should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Hillenbrand or Milacron as indicated above.

No Offer or Solicitation

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended, or pursuant to another available exemption.



Company Overview & Strategy

Key Takeaways

1

Significant strides made transforming Hillenbrand into a global diversified industrial company

2

Market leadership driven by highly-engineered products with core technologies differentiated by applications expertise

3

The Hillenbrand Operating Model (HOM) is a competitive differentiator; historically focused on margin expansion and now adding tools to drive profitable growth

4

Now focused on building platforms to develop scale and enhance leadership positions to drive profitable growth

5

Flexible balance sheet supported by strong cash flow and appropriate debt level; expect to make additional strategic acquisitions to accelerate profitable growth

6

Passionate leadership team driving transformation with runway for significant shareholder value creation



Hillenbrand at a Glance

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

REVENUE

\$1.8B

ADJUSTED
EBITDA MARGIN¹

16.6%

MARKET CAP

\$1.7B

DIVIDEND YIELD

3.0%

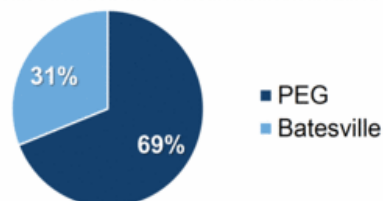
LOCATIONS³

40

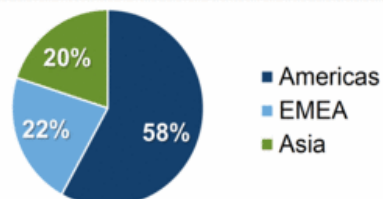
EMPLOYEES

~6,500

REVENUE BY SEGMENT



REVENUE BY GEOGRAPHY²



Market Cap and Dividend Yield as of 9/6/19; all other data as of 9/30/18

Hillenbrand Strategy to Create Shareholder Value

1
Grow Organically
through Four Key
Imperatives

2
Accelerate
Profitable Growth
with Disciplined
M&A

3
Leverage HOM to
Drive Profitable
Growth

4
Effectively Deploy
Strong Free Cash
Flow

Passionate Management Team Executing Strategy for Sustained Profitable Growth

Hillenbrand Operating Model: A Competitive Advantage

Consistent and Repeatable Framework Designed to Produce Efficient Processes and Drive Profitable Growth and Superior Value

- UNDERSTAND THE BUSINESS
- FOCUS ON THE CRITICAL FEW
- GROW: GET BIGGER AND BETTER



Have Realized Benefits but Significant Opportunity Ahead of Us

Acquisition of Milacron Provides Compelling Strategic and Financial Benefits



A pivotal step in Hillenbrand's vision to become a world-class global diversified industrial company

- Enhances Growth Opportunities with Leading Brands and New Technologies
- Adds Complementary Businesses; Increases Scale and Diversification
- Creates and Drives Efficiencies with Significant Cost Synergies
- Delivers Strong Financial Benefits Including Significant Recurring Revenue, EPS and Margin Accretion

A Transformative Deal to Create Meaningful Shareholder Value

MELT DELIVERY & CONTROL SYSTEMS

- Highly engineered proprietary IP
- Global manufacturing footprint

\$452M 2018 Revenue 29% Adj. EBITDA Margin ²	Industrial Machinery / Custom Molders / Other	32%
	Automotive	23%
	Consumer	18%
	Packaging	11%
	Electronics	9%
	Medical	7%



Hot runner systems and mold bases

¹ 2018 financial metrics excluding Blow Molding business.
² Adjusted EBITDA is a Non-GAAP measure. See appendix for reconciliation.

ADVANCED PLASTICS PROCESSING TECHNOLOGIES

- Integrated service lifecycle model driving aftermarket growth
- Largest field service technician network in the plastics industry

\$584M 2018 Revenue 14% Adj. EBITDA Margin ²	Industrial Machinery / Custom Molders / Other	31%
	Construction	16%
	Automotive	15%
	Packaging	14%
	Consumer	13%
	Electronics	8%
	Medical	3%



Extrusion Injection molding Parts & service

FLUID TECHNOLOGIES

- Established industry leader with technologies essential to improving manufacturing operations

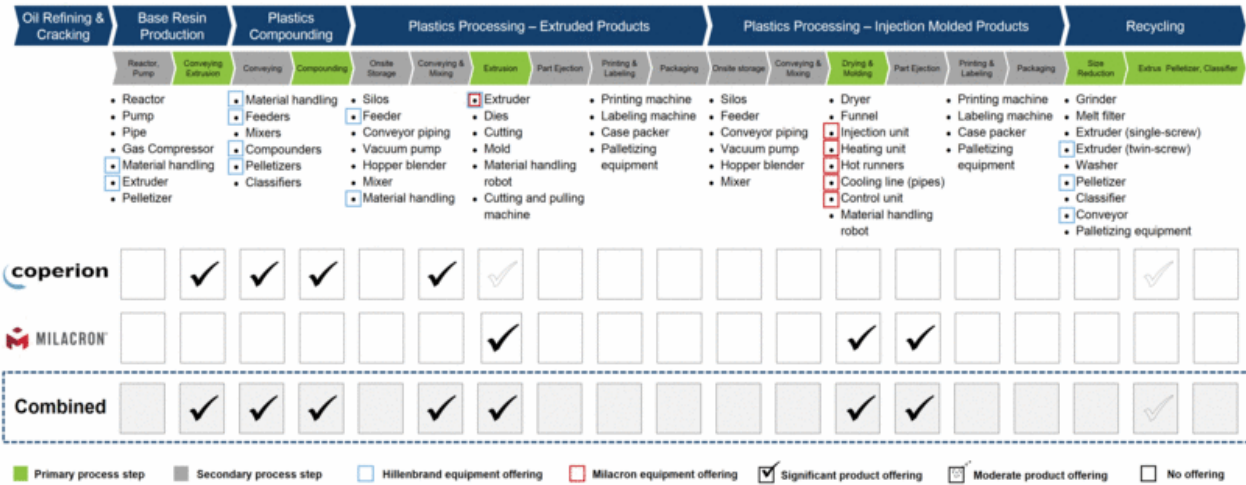
\$129M 2018 Revenue 23% Adj. EBITDA Margin ²	Industrial Machinery / Custom Molders / Other	67%
	Automotive	23%
	Consumer	5%
	Electronics	5%



Metal removal fluids

Strengthens Position Across Plastics Value Chain and Enhances Growth Opportunity

Plastics Value Chain



■ Primary process step
 ■ Secondary process step
 Hillenbrand equipment offering
 Milacron equipment offering
 Significant product offering
 Moderate product offering
 No offering

Better Positioned to Serve Customers and Cross-Sell Products

Strategic Priorities

Grow Organically through Four Key Imperatives

- Leverage core technologies and applications expertise to build leadership positions
- Deepen customer engagement and revenue potential
- Target broad installed base and pursue new opportunities to grow recurring revenue
- Take advantage of strong geographic footprint to expand customer base and win in new markets

Accelerate Profitable Growth with Disciplined M&A

- Strengthen existing leadership positions and build targeted platforms in food & pharma, separation and flow control
- Disciplined approach to deal pipeline from a strategic, operational, and financial perspective

Leverage HOM to Drive Profitable Growth

- Operational excellence demonstrated by consistent margin expansion; adding tools to further drive profitable growth
- Early in operational excellence journey
- Key areas of focus: Innovation, Lean, Procurement, and Business Simplification

Effectively Deploy Strong Free Cash Flow

- Reinvest in the business through new product development and expand into new end markets and geographies
- Invest in targeted acquisitions with compelling financial returns and profitable growth potential
- Return cash to shareholders through consistent dividends and opportunistic share repurchases

Focus Areas for Creating Value through HOM

Procurement

- Enterprise-wide process optimization and standardization
- Supply-base rationalization
- Strategic supplier relationships for improved cost, quality, and working capital efficiency
- Value engineering to reduce cost and improve manufacturability

Expected Annual Savings of \$40 - \$50M

Lean

Strategy/SDP

Business Simplification

- Active footprint management
- Global Business Services operating with standard processes supporting the enterprise
- Unified approach to identify customer needs and provide complete solutions
- Information Technology systems rationalization

Improved Operating Leverage

Lean

Segmentation

Rapid Response

- Lead time as a competitive advantage
- Manage global manufacturing and engineering capacities to improve efficiency
- Strategic supplier relationships to manage demand fluctuations and changing customer needs

Above-Market Growth

Lean

Strategy/SDP

Growth

- Expand applications and systems expertise to adjacent end markets
- Expand service business geographically
- Enhance innovation and new product development
- Develop framework to win in China

Above-Market Growth

Innovation Toolkit

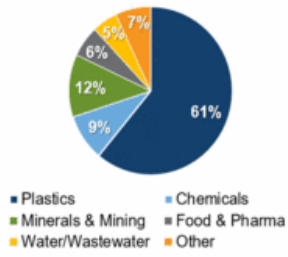
Acquisition



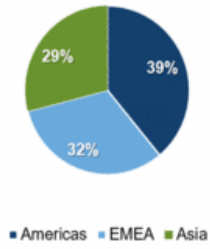
Process Equipment Group

Process Equipment Group at a Glance

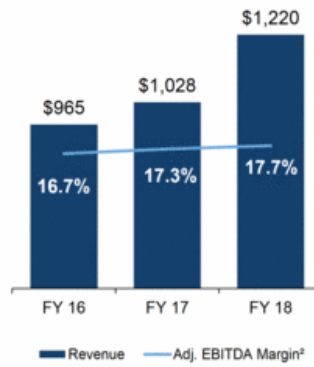
REVENUE BY END MARKET¹



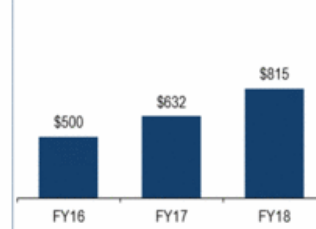
REVENUE BY GEOGRAPHY¹



PERFORMANCE (\$M)











ORDER BACKLOG (\$M)



HOM Drives Strong Profit Margin and Free Cash Flow

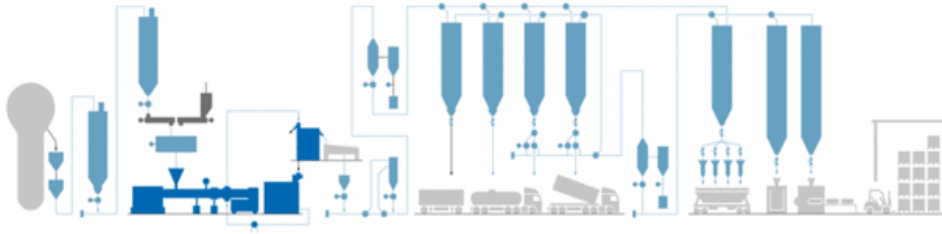
¹ Based on FY 2018 sales and Company estimates ² Adjusted EBITDA Margin is a Non-GAAP measure. See appendix for reconciliation.

Diverse Brands with Significant Scale in Plastics

				
PRODUCT PORTFOLIO	Products: <ul style="list-style-type: none"> • Compounders and extruders • Material handling equipment • Feeders, components, and system solutions • Parts & service 	Separation Products: <ul style="list-style-type: none"> • Screening equipment • Sizing equipment • Parts & service 	Flow Control Products: <ul style="list-style-type: none"> • Pumping solutions • Highly-engineered valves • Parts & service 	Size Reduction Products: <ul style="list-style-type: none"> • Crushers • Material handling equipment • Parts & service
END MARKETS	<ul style="list-style-type: none"> • Polyolefins • Engineered Plastics • Chemicals • Processed Food & Pharma 	<ul style="list-style-type: none"> • Minerals & Fertilizers • Food & Agriculture • Proppants 	<ul style="list-style-type: none"> • Municipal Water and Wastewater • Industrial Water and Wastewater 	<ul style="list-style-type: none"> • Coal Power & Mining • Forest Products • Steel
PORTION OF PEG REVENUE¹				

¹ Based on FY 2016 sales.

Individual Components to Integrated Systems in Plastics



EQUIPMENT & COMPONENTS

- Feeding equipment and components for large and small systems
 - Feeders
 - Highly-engineered valves
 - Pneumatic conveying subsystems

COMPOUNDING & EXTRUSION SYSTEMS

- Highly-engineered conversion systems used in high volume polyolefin production (polyethylene and polypropylene)
- Smaller conversion systems for engineered plastics, PVC, and chemicals

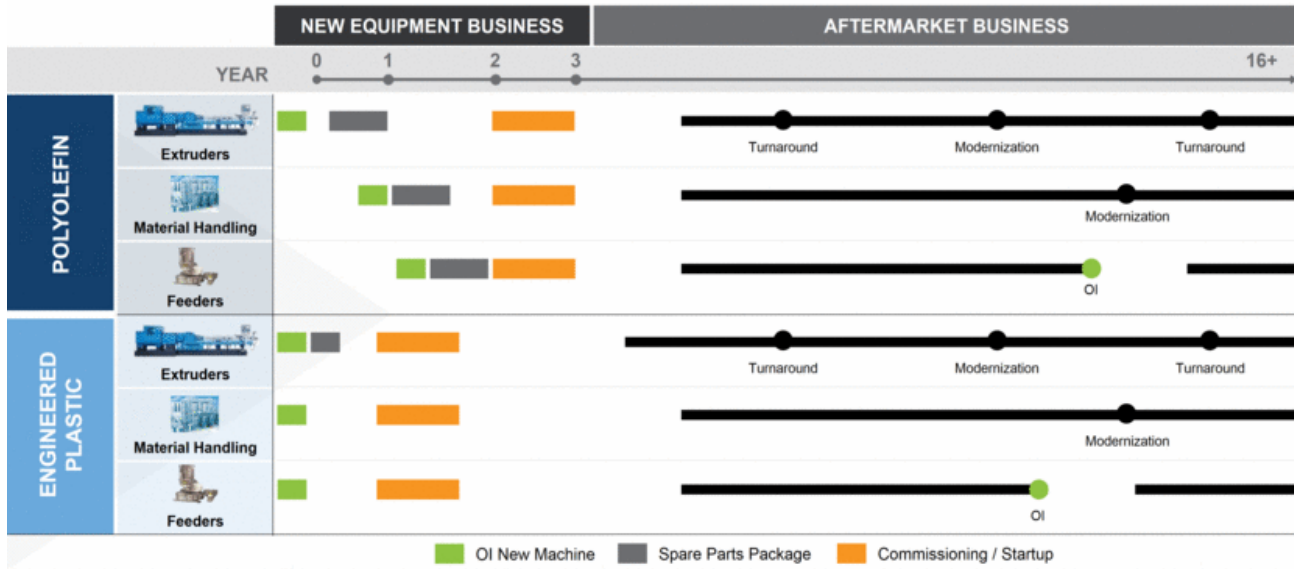
MATERIALS HANDLING

- Large engineered pneumatic material handling systems mainly for the polyolefin industry
- Turnkey Solutions – Coperion engineers all key equipment and processes for a turnkey plant

Value-Added Services Include: Maintenance, Parts, Modernization, and Field Service

Large Installed Base Provides Long Tail for Revenue Generation

ILLUSTRATIVE LIFECYCLE OF AFTERMARKET SALES AND SERVICE









Strong Secular Trends Support Global Growth

Growing Global Population and Rapidly Expanding Middle Class...



...Driving Secular Growth Trends

-  Products that require more and highly technical plastics and petrochemicals
-  Safe, convenient processed food
-  Minerals and fertilizers for agriculture
-  Water infrastructure, safety, and efficiency
-  Construction and transportation
-  Energy consumption

Large Addressable Markets and Areas of Focus



Building Leadership Positions in Core Markets and Near Adjacencies

PEG Strategy

Strengthen Leadership Positions and Build Targeted Platforms

- Leverage core technologies and applications expertise to further penetrate current markets
 - Grow platforms to critical mass in plastics & chemicals, food & pharma, separation, and flow control to achieve benefits of market leadership and scale
 - Enter attractive new markets and near adjacencies with large addressable opportunities
 - Leverage global footprint to expand customer base and win in new markets
-

Drive Innovation and New Product Development

- Provide innovative product and service solutions to solve customers' challenges
 - Extend applications expertise to win in adjacent markets with high growth potential
 - Develop new products driven by voice of customer input and changing needs
 - Provide value-added end-to-end solutions from individual components to integrated systems
-

Leverage HOM to Drive Margin Expansion and Profitable Growth

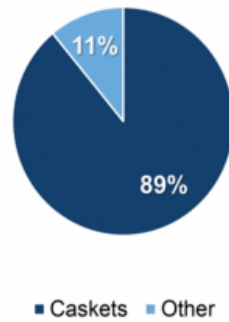
- Apply HOM tools, including voice of customer and segmentation, for profitable growth
- Drive best-in-class lead times to grow share in aftermarket parts & service business
- Implement strategic supplier relationships to improve cost and quality
- Enhance productivity through process standardization



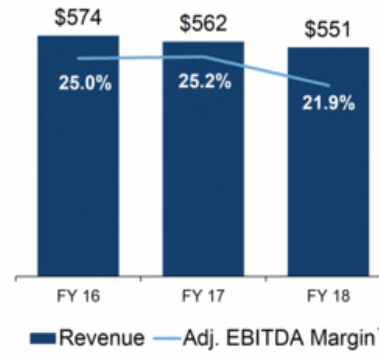
Batesville

Customers	Licensed funeral directors
Geography	U.S. & Canada
Employees	3,000+
Sales Channel	~200 sales professionals selling direct to funeral homes
Manufacturing Operations	4 world-class, award-winning operations
Distribution Network	Rapid, reliable delivery through ~90 service centers

REVENUE BY PRODUCT



PERFORMANCE (\$M)



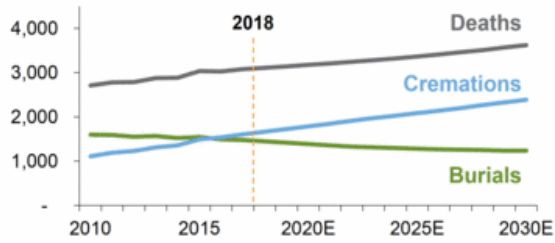
Leadership Drives Strong Profit Margins and Free Cash Flow

¹ Adjusted EBITDA Margin is a Non-GAAP measure. See appendix for reconciliation.

Sizable Market Impacted by Changing Consumer Preferences

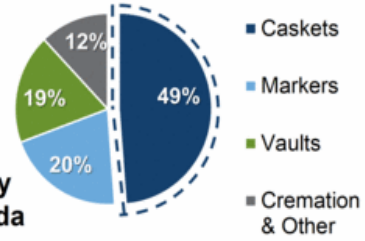


Burials vs. Cremations (000s)¹



~\$3B¹

Death Care Products Industry in U.S. and Canada



- Demand for caskets driven by long-term, predictable demographics, and consumer trends
- Consumer spending on caskets has not kept pace with inflation, resulting in annual mix decline
- Addressing industry challenges using HOM to guide our investments in new products and solutions

¹ Source: CDC, Cremation Association of North America, NFDA, and Company estimates.

Batesville Strategy

Strengthen Leadership Position in Death Care

- Leverage HOM to provide comprehensive offering and customized solutions
 - Introduce new products in response to consumer trends
 - Create personalization options aligned with consumer preferences
 - Leverage technology connectivity to enhance consumer experience and create efficiencies
-

Optimize Business Structure to Drive Profitability and Cash Flow

- Drive supply chain and SG&A productivity through continued application of HOM
 - Implement supply chain financing to improve working capital and leverage lean to drive inventory efficiencies
 - Enhance logistics capabilities by further incorporating mobile technologies
-

Continuing to Strengthen and Develop Talent

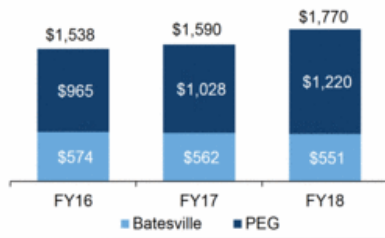
- Recruit and develop leaders skilled in HOM tools to drive breakthrough thinking
- Develop next generation sales leaders to drive performance and strengthen relationships
- Expand digital marketing expertise and further develop strategic relationships



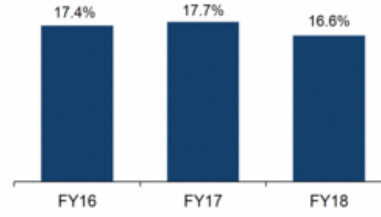
Financial Overview

Hillenbrand 3-Year Financial Performance Overview

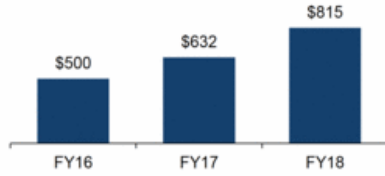
REVENUE (\$M)



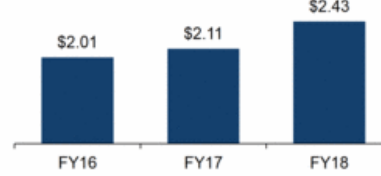
ADJ. EBITDA MARGIN¹



ORDER BACKLOG (\$M)

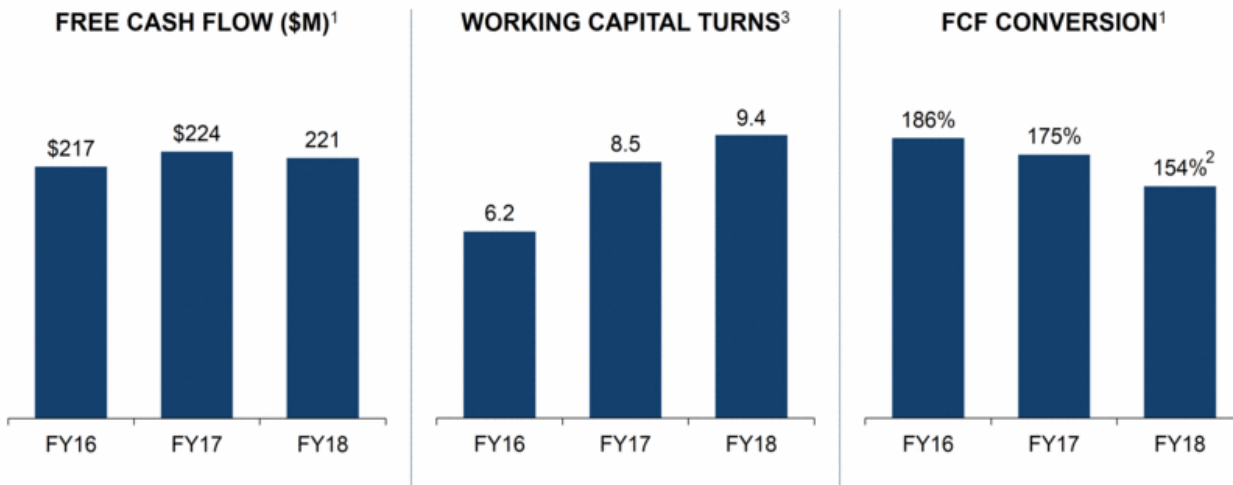


ADJ. EPS¹



Strategy Execution Driving Strong Results

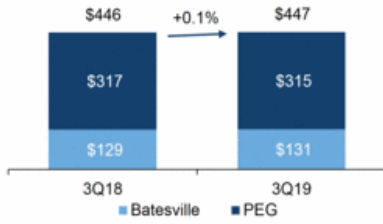
3-Year Cash Performance Overview



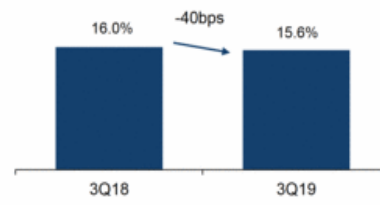
Working Capital Focus Driving Free Cash Flow and Fueling Investment for Future Growth

Fiscal Year 3Q18 vs. Fiscal Year 3Q19

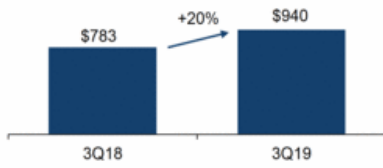
REVENUE (\$M)



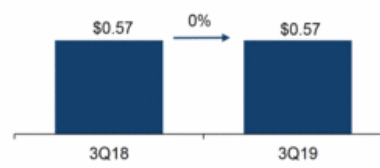
ADJ. EBITDA MARGIN¹



ORDER BACKLOG (\$M)



ADJ. EPS¹

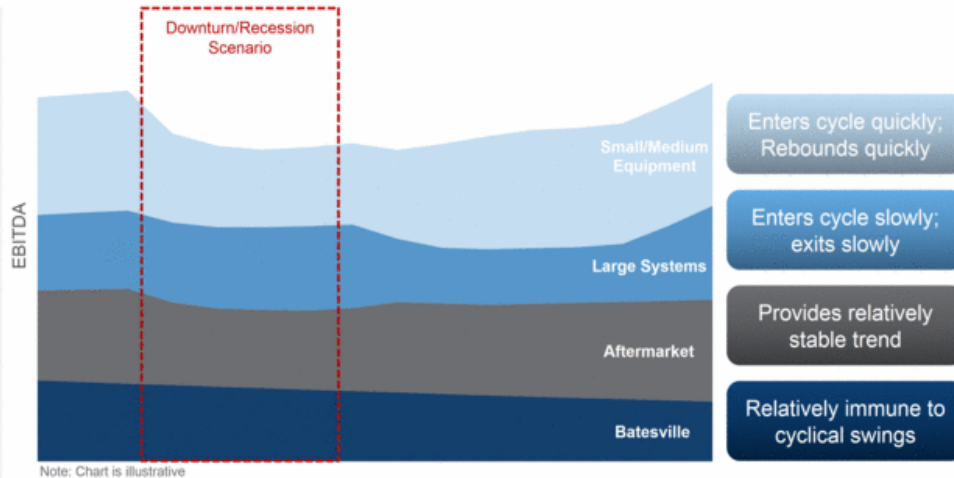


Q3 Revenue and Adjusted EPS Flat Year-Over-Year; Backlog Remained Strong

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 Liquidity to Operate in All Macroeconomic Environments

Capital Allocation Framework

REINVEST IN THE BUSINESS

- Drive innovation and new product development
- Expand into new end markets and geographies
- Annual capex <2% of revenue

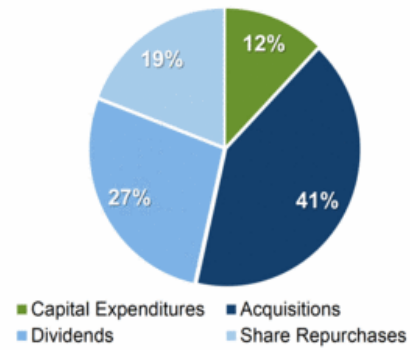
STRATEGIC ACQUISITIONS

- Acquisitions are a strategic priority, although plan to curtail M&A post-Milacron as part of goal to de-lever back to long term leverage targets
- Strengthen existing leadership positions and build targeted platforms

RETURN CASH TO SHAREHOLDERS

- Dividend yield of 3.0%¹
- Ten consecutive years of dividend increases
- Opportunistic share repurchases, primarily to offset dilution, although plan to curtail share repurchases as part of goal to de-lever back to long-term targets

Capital Allocation: FY16 – FY18



Balanced Capital Allocation Strategy to Drive Shareholder Value

2020 Financial Framework

2020 Targets¹



ORGANIC REVENUE GROWTH	2% to 4% CAGR
PROCESS EQUIPMENT GROUP	4% to 6% CAGR
BATESVILLE	-3% to -1% CAGR
PEG ADJ. EBITDA MARGIN	+ 250 bps
ADJUSTED EPS	Double Digit CAGR ²

Confident in Ability to Execute Our Strategy and Achieve Meaningful Returns for Shareholders

Key Takeaways

1

Significant strides made transforming Hillenbrand into a global diversified industrial company

2

Market leadership driven by highly-engineered products with core technologies differentiated by applications expertise

3

The Hillenbrand Operating Model (HOM) is a competitive differentiator; historically focused on margin expansion and now adding tools to drive profitable growth

4

Now focused on building platforms to develop scale and enhance leadership positions to drive profitable growth

5

Flexible balance sheet supported by strong cash flow and appropriate debt level; expect to make additional strategic acquisitions to accelerate profitable growth

6

Passionate leadership team driving transformation with runway for significant shareholder value creation





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 referred to as "adjusted" and exclude impairment charges, expenses associated with business acquisition, development, and integration, restructuring and restructuring related charges, litigation, inventory step-up, backlog amortization, and pension settlement charges. 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. 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.

Free cash flow (FCF) is defined as cash flow from operations less capital expenditures. We use a related term, free cash flow to net income conversion rate, to refer to free cash flow divided by GAAP net income. Hillenbrand considers FCF and free cash flow to net income conversion rate important indicators of Hillenbrand'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 Hillenbrand's common stock, repurchases of Hillenbrand's common stock, business acquisitions, and other items.

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 industries with extended lead times for order fulfillment (long-term contracts), like those in which our Process Equipment Group competes. Order 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. Hillenbrand believes this information provides a higher degree of transparency.

Q3 FY19 & Q3 FY18 Reconciliation of Adjusted EBITDA to Consolidated Net Income

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2019	2018	2019	2018
Adjusted EBITDA:				
Process Equipment Group	\$ 54.9	\$ 58.2	\$ 156.6	\$ 153.7
Batesville	25.3	25.6	83.6	92.1
Corporate	(10.7)	(12.4)	(31.7)	(32.9)
Less:				
Interest income	(0.3)	(0.3)	(0.7)	(1.1)
Interest expense	5.2	5.5	16.1	17.8
Income tax expense	11.6	15.2	39.9	52.5
Depreciation and amortization	15.1	14.2	44.3	42.0
Impairment charge	-	-	-	63.4
Business acquisition, development, and	3.8	0.1	4.9	2.6
Inventory step-up	-	-	0.2	-
Restructuring and restructuring related	2.4	0.5	3.6	1.7
Consolidated net income	\$ 31.7	\$ 36.2	\$ 100.2	\$ 34.0

Q3 FY19 & Q3 FY18 Reconciliation Of Non-GAAP Measures

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2019	2018	2019	2018
Net Income ⁽¹⁾	\$ 30.4	\$ 35.9	\$ 96.7	\$ 32.1
Impairment charge	-	-	-	63.4
Restructuring and restructuring related	2.4	0.5	3.6	1.7
Business acquisition, development, and integration	3.8	0.1	4.9	2.6
Inventory step-up	-	-	0.2	-
Backlog amortization	1.2	-	2.6	-
Tax Act ⁽²⁾	-	0.2	1.8	15.1
Tax effect of adjustments	(1.9)	(0.2)	(2.9)	(2.3)
Adjusted Net Income ⁽¹⁾	<u>\$ 35.9</u>	<u>\$ 36.5</u>	<u>\$ 106.9</u>	<u>\$ 112.6</u>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2019	2018	2019	2018
Diluted EPS	\$ 0.48	\$ 0.56	\$ 1.52	\$ 0.50
Impairment charge	-	-	-	0.99
Restructuring and restructuring related	0.04	0.01	0.06	0.03
Business acquisition, development, and integration	0.06	-	0.08	0.04
Inventory step-up	-	-	-	-
Backlog amortization	0.02	-	0.04	-
Tax Act ⁽²⁾	-	-	0.03	0.24
Tax effect of adjustments	(0.03)	-	(0.04)	(0.04)
Adjusted Diluted EPS	<u>\$ 0.57</u>	<u>\$ 0.57</u>	<u>\$ 1.69</u>	<u>\$ 1.76</u>

(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

\$ in millions, except per share data

Reconciliation of Non-GAAP Measures

(\$ in millions, except per share data)

	Years Ended September 30,			
	2018	2017	2016	2015
Net Income¹	\$ 76.6	\$ 126.2	\$ 112.8	\$ 111.4
Restructuring and Restructuring Related	2.5	12.3	10.4	8.9
Business Acquisition, Development, and Integration	3.5	1.1	3.7	3.6
Litigation	-	-	-	0.5
Inventory Step-up	-	-	2.4	-
Backlog Amortization	-	-	4.5	-
Impairment Charge	63.4	-	2.2	-
Pension Settlement Charge	-	-	-	17.7
Tax Act ²	12.2	-	-	-
Tax Effect of Adjustments	(2.9)	(4.8)	(8.0)	(11.2)
Adjusted Net Income¹	\$ 155.3	\$ 134.8	\$ 128.0	\$ 130.9
Diluted EPS	\$ 1.20	\$ 1.97	\$ 1.77	\$ 1.74
Restructuring and Restructuring Related	0.04	0.19	0.16	0.14
Business Acquisition, Development, and Integration	0.06	0.02	0.06	0.06
Litigation	-	-	-	0.01
Inventory Step-up	-	-	0.04	-
Backlog Amortization	-	-	0.07	-
Impairment Charge	0.99	-	0.04	-
Pension Settlement Charge	-	-	-	0.28
Tax Act ²	0.19	-	-	-
Tax Effect of Adjustments	(0.05)	(0.07)	(0.13)	(0.18)
Adjusted Diluted EPS	\$ 2.43	\$ 2.11	\$ 2.01	\$ 2.05

Hillenbrand Adjusted EBITDA to Consolidated Net Income Reconciliation

(\$ in millions)

	Years Ended September 30,						
	2018	2017	2016	2015	2014	2013	2012
Adjusted EBITDA:							
Process Equipment Group	\$ 215.8	\$ 177.7	\$ 160.9	\$ 160.5	\$ 150.4	\$ 116.4	\$ 79.7
Batesville	120.8	141.9	143.5	145.5	150.8	161.0	152.8
Corporate	(42.3)	(38.6)	(37.3)	(37.3)	(25.7)	(29.9)	(25.1)
Less:							
Interest Income	(1.4)	(0.9)	(1.2)	(1.0)	(0.8)	(0.6)	(0.5)
Interest Expense	23.3	25.2	25.3	23.8	23.3	24.0	12.4
Income Tax Expense	65.3	59.9	47.3	49.1	48.7	28.3	30.1
Depreciation and Amortization	56.5	56.6	60.4	54.3	58.4	89.4	40.4
Business Acquisition, Development, and Integration	3.5	1.1	3.7	3.6	8.4	16.0	4.2
Inventory Step-up	-	-	2.4	-	-	21.8	-
Restructuring and Restructuring Related	2.5	10.7	10.2	7.5	5.5	2.8	8.3
Impairment Charge	63.4	-	2.2	-	-	-	-
Litigation	-	-	-	0.5	20.8	0.2	5.5
Pension Settlement Charge	-	-	-	17.7	-	-	-
Other	-	-	-	-	-	0.2	-
Long-term Incentive Compensation Related to the Int'l Integration	-	-	-	-	-	-	2.2
Consolidated Net Income	\$ 81.2	\$ 128.4	\$ 116.8	\$ 113.2	\$ 111.2	\$ 65.4	\$ 104.8

Cash Flow Information

(\$ in millions, except per share data)

	Years Ended September 30,						
	2018	2017	2016	2015	2014	2013	2012
Operating Activities							
Consolidated Net Income (A)	\$ 81.2	\$ 128.4	\$ 116.8	\$ 113.2	\$ 111.2	\$ 65.4	\$ 104.8
Depreciation and Amortization	56.5	56.6	60.4	54.3	58.4	89.4	40.4
Impairment Charge (D)	63.4	-	-	-	-	-	-
Change in Working Capital	4.6	33.3	51.2	(86.8)	22.6	(12.3)	(19.8)
Pension Settlement Charge	-	-	-	17.7	-	-	-
Other, Net	42.6	27.9	9.8	6.6	(12.6)	(15.3)	12.8
Net Cash Provided by Operating Activities (B)	\$ 248.3	\$ 246.2	\$ 238.2	\$ 105.0	\$ 179.6	\$ 127.2	\$ 138.2
Capital Expenditures (C)	(27.0)	(22.0)	(21.2)	(31.0)	(23.6)	(29.9)	(20.9)
Acquisition of Business, Net of Cash Acquired	-	-	(235.4)	-	-	(415.7)	(4.4)
Debt Activity	(174.1)	(147.2)	83.8	(26.2)	(104.1)	385.6	(162.3)
Dividends	(52.1)	(51.9)	(51.1)	(50.4)	(49.7)	(48.7)	(47.6)
Other	(5.1)	(11.1)	(10.6)	(7.1)	13.1	4.0	1.7
Net Change in Cash	\$ (10.0)	\$ 14.0	\$ 3.7	\$ (9.7)	\$ 15.3	\$ 22.5	\$ (95.3)
Free Cash Flow (B-C)	\$ 221.3	\$ 224.2	\$ 217.0	\$ 74.0	\$ 156.0	\$ 97.3	\$ 117.3
Free Cash Flow Conversion (FCF/(A+D))	154%	175%	186%	65%	140%	149%	112%

FY18 Free Cash Flow to Net Income Conversion as Adjusted for Impairment

(\$ in millions)	Twelve Months Ended September 30, 2018
Net cash provided by operating activities	\$ 248.3
Less:	
Capital expenditures	27.0
Free cash flow	\$ 221.3
Consolidated net income	\$ 81.2
Impairment charges (net of tax)	62.3
Consolidated net income excluding the non-cash impairment charge	\$ 143.5
Free cash flow to net income conversion rate	154%

Milacron Segment EBITDA Reconciliation

\$mm - FYE 12/31

Operating earnings (loss)		
AFPT		28.4
MDCS		50.8
Fluids		24.6
Corporate		(27.4)
Total operating earnings		106.4
Other non-operating expenses		(0.9)
Adjustments to operating earnings:		
AFPT Adjustments:		
Depreciation and amortization		15.9
Currency effect on intercompany advances (a)		0.7
Net earnings attributable to noncontrolling interest		—
Fair market value adjustments (b)		—
Organizational redesign costs (b)		38.8
Acquisition integration costs (a)		—
Professional services (f)		8.2
Other (g)		4.7
Total AFPT Adjustments		(9.5)
MDCS Adjustments:		
Depreciation and amortization		23.4
Fair market value adjustments (b)		—
Organizational redesign costs (b)		3.1
Acquisition integration costs (a)		—
Professional services (f)		0.1
Other (g)		0.1
Currency effect on intercompany advances (a)		4.5
Total MDCS Adjustments		41.2
Fluids Adjustments:		
Depreciation and amortization		4.4
Fair market value adjustments (b)		—
Other (g)		0.3
Organizational redesign costs (b)		—
Professional services (f)		—
Total Fluids Adjustments		4.7
Corporate Adjustments:		
Depreciation and amortization		1.4
Business combination costs (g)		—
Fair market value adjustments (b)		—
Organizational redesign costs (b)		1.7
Acquisition integration costs (a)		—
Professional services (f)		3.7
Debt costs (e)		—
Other (g)		0.3
Long term equity awards and shareholder fees (c)		10.1
Currency effect on intercompany advances (a)		(11.8)
Non-cash stock based compensation expense		(11.5)
Total Corporate Adjustments		4.1
Pro Forma Adjusted EBITDA:		
AFPT		79.6
MDCS		127.0
Fluids		29.3
Corporate		(38.3)
Total Pro Forma Adjusted EBITDA		207.6

Milacron prepares its financial statements in accordance with United States generally accepted accounting principles (GAAP). Adjusted EBITDA and Pro Forma EBITDA are non-GAAP financial measures. The non-GAAP information presented provides additional information, but should not be considered in isolation or as a substitute for the related GAAP measure. Investors are encouraged to read Milacron's financial statements and publicly filed reports in their entirety and not rely on any single financial measure.