
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: April 24, 2025

CARPENTER TECHNOLOGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of or other jurisdiction
of incorporation)

1-5828
(Commission
File Number)

23-0458500
(IRS Employer
I.D. No.)

1735 Market Street
Philadelphia, Pennsylvania
(Address of principal executive offices)

19103
(Zip Code)

(610) 208-2000

Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or required to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$5 Par Value	CRS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b.2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 - Results of Operations and Financial Condition.

On April 24, 2025, Carpenter Technology Corporation held its third quarter fiscal year 2025 earnings call, broadcast live by webcast. A copy of the slides presented during the call are furnished as Exhibit 99.1 to this Form 8-K and shall not be deemed to be “filed” for any purpose.

Item 9.01 - Financial Statements and Exhibits**(d) Exhibits**

Exhibit No.	Descriptions
99.1	Slides presented during Carpenter Technology Corporation third quarter fiscal year 2025 earnings call
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARPENTER TECHNOLOGY CORPORATION

By /s/ Timothy Lain

Timothy Lain

Senior Vice President and Chief Financial Officer

Date: April 29, 2025

April 24, 2025

CARPENTER TECHNOLOGY CORPORATION

3rd Quarter Fiscal Year 2025
Earnings Call



Cautionary Statement

Forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected, anticipated or implied. The most significant of these uncertainties are described in Carpenter Technology's filings with the Securities and Exchange Commission, including its report on Form 10-K for the fiscal year ended June 30, 2024, Form 10-Q for the fiscal quarters ended September 30, 2024, and December 31, 2024, and the exhibits attached to those filings. They include but are not limited to: (1) the cyclical nature of the specialty materials business and certain end-use markets, including aerospace, defense, medical, energy, transportation, industrial and consumer, or other influences on Carpenter Technology's business such as new competitors, the consolidation of competitors, customers, and suppliers or the transfer of manufacturing capacity from the United States to foreign countries; (2) the ability of Carpenter Technology to achieve cash generation, growth, earnings, profitability, operating income, cost savings and reductions, qualifications, productivity improvements or process changes; (3) the ability to recoup increases in the cost of energy, raw materials, freight or other factors; (4) domestic and foreign excess manufacturing capacity for certain metals; (5) fluctuations in currency exchange and interest rates; (6) the effect of government trade actions, including tariffs; (7) the valuation of the assets and liabilities in Carpenter Technology's pension trusts and the accounting for pension plans; (8) possible labor disputes or work stoppages; (9) the potential that our customers may substitute alternate materials or adopt different manufacturing practices that replace or limit the suitability of our products; (10) the ability to successfully acquire and integrate acquisitions; (11) the availability of credit facilities to Carpenter Technology, its customers or other members of the supply chain; (12) the ability to obtain energy or raw materials, especially from suppliers located in countries that may be subject to unstable political or economic conditions; (13) Carpenter Technology's manufacturing processes are dependent upon highly specialized equipment located primarily in facilities in Reading and Latrobe, Pennsylvania and Athens, Alabama for which there may be limited alternatives if there are significant equipment failures or a catastrophic event; (14) the ability to hire and retain a qualified workforce and key personnel, including members of the executive management team, management, metallurgists and other skilled personnel; (15) fluctuations in oil and gas prices and production; (16) the impact of potential cyber attacks and information technology or data security breaches; (17) the ability of suppliers to meet obligations due to supply chain disruptions or otherwise; (18) the ability to meet increased demand, production targets or commitments; (19) the ability to manage the impacts of natural disasters, climate change, pandemics and outbreaks of contagious diseases and other adverse public health developments; (20) geopolitical, economic, and regulatory risks relating to our global business, including geopolitical and diplomatic tensions, instabilities and conflicts, such as the war in Ukraine, the war between Israel and HAMAS, the war between Israel and Hezbollah, Houthi attacks on commercial shipping vessels and other naval vessels as well as compliance with U.S. and foreign trade and tax laws, sanctions, embargoes and other regulations; (21) challenges affecting the commercial aviation industry or key participants including, but not limited to production and other challenges at The Boeing Company; and (22) the consequences of the announcement, maintenance or use of Carpenter Technology's share repurchase program. Any of these factors could have an adverse and/or fluctuating effect on Carpenter Technology's results of operations. The forward-looking statements in this document are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation or as of the dates otherwise indicated in such forward-looking statements. Carpenter Technology undertakes no obligation to update or revise any forward-looking statements.

Non-GAAP and other financial measures

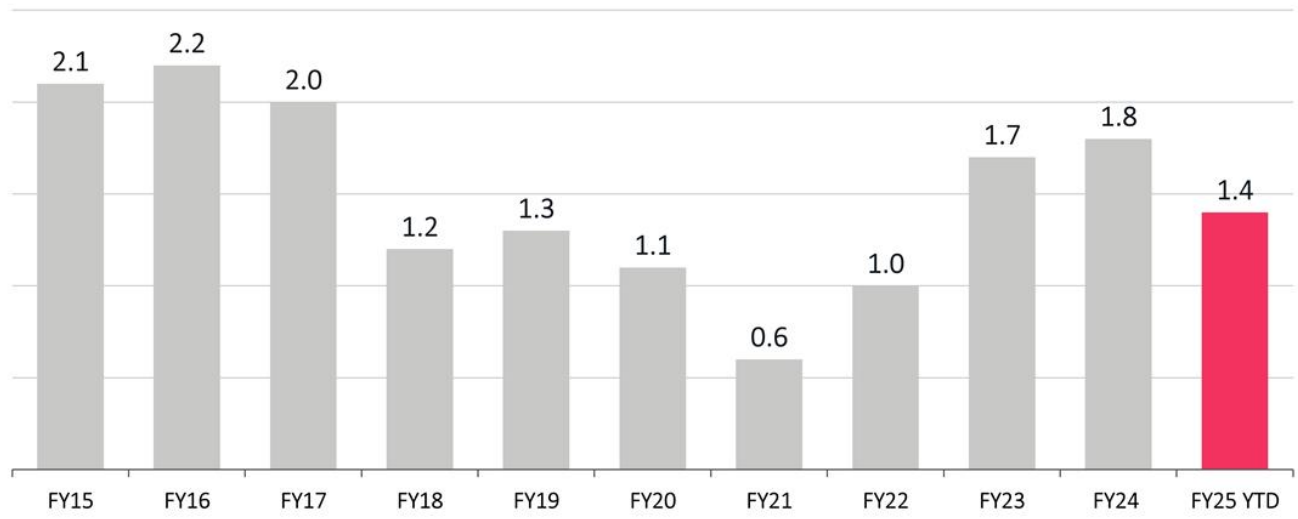
Financial information included in this presentation is unaudited. Some of the information included in this presentation is derived from Carpenter Technology's consolidated financial information but is not presented in Carpenter Technology's financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found in the Appendix to this presentation.

3rd QUARTER FISCAL YEAR 2025

Tony Thene | President and Chief Executive Officer

Safety is Our Highest Value

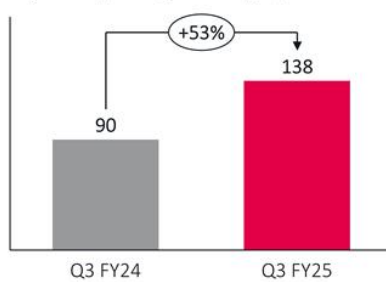
Total case incident rate



Performance: record third quarter operating income

Record profits with positive adjusted free cash flow

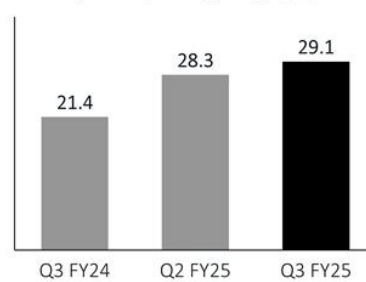
Adjusted Operating Income (\$M) *



- Generated \$34.0 million in adjusted free cash flow*
- Executed \$37.5 million in share repurchases

SAO continues to expand adjusted operating margins

SAO Adjusted Operating Margin (%) *








- SAO operating income of \$151.4 million, up 46% year-over-year
- Margin expansion from higher productivity, improving mix and pricing actions

Strengthening outlook; increasing FY25 operating income guidance

- **Today:** increasing FY25 guidance to \$520 million to \$527 million
- **01/2025:** increased FY25 guidance to \$500 million to \$520 million
- **10/2024:** guided to high end of \$460 million to \$500 million range
- **07/2024:** accelerated goal to FY25
- **04/2024:** moved goal to FY26
- **05/2023:** announced goal of \$460 million to \$500 million in operating income for FY27

Third Quarter Fiscal Year 2025 Net Sales

MARKET	Q3-25 NET SALES EX. SURCHARGE (\$M)*	% NET SALES EX. SURCHARGE	VS. Q2-25	VS. Q3-24
 AEROSPACE & DEFENSE	\$373.2	63%	↑ +12%	↑ +18%
 MEDICAL	\$72.4	12%	↓ -1%	↓ -14%
 ENERGY	\$35.0	6%	↑ +9%	↑ +26%
 TRANSPORTATION	\$21.9	4%	↑ +2%	↓ -17%
 INDUSTRIAL & CONSUMER	\$72.4	12%	↑ +7%	↓ -6%

Increasing sales in strengthening demand environment

- Aerospace and Defense sales up sequentially and year-over-year
- Working closely with commercial aerospace customers to manage near-term priorities
- Power generation demand remains high for new builds of industrial gas turbines
- Long-term demand remains robust, with increasing bookings and high backlogs
- Optimizing production schedules through supply chain visibility and manufacturing flexibility

Continue to deliver strong financial results despite recent supply chain challenges

Strategically positioned with growing demand for broad portfolio of highly specialized alloys

Monitoring and evaluating tariff news to mitigate potential impact

- Raw material cost increases to be passed through to customers via surcharge mechanisms
- Global multi-sourced supply chain strategy limits risk to disruption
- Expect limited impact to overall demand, pending global response

Produce broad portfolio of highly specialized alloys with unique collection of capabilities and assets

Support high-value applications across range of end-use markets that value our material solutions

In Aerospace and Defense, our largest end-use market, meaningful presence on all commercial platforms

Fundamental, near and long-term demand remains strong, supported by macro trends and application-specific needs

Focus on execution, driving increased productivity across operations while ensuring safety and quality

3rd QUARTER FISCAL YEAR 2025 FINANCIAL OVERVIEW

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

\$ millions, except per share amounts

	Q3-25	Q2-25	Q3-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	46,496	46,170	50,208	326	(3,712)
Net Sales	727.0	676.9	684.9	50.1	42.1
Net Sales ex. Surcharge Revenue*	597.0	548.0	553.8	49.0	43.2
Gross Profit	200.8	177.5	147.0	23.3	53.8
Selling, General and Administrative Expenses	63.0	58.6	57.0	4.4	6.0
Operating Income	137.8	118.9	75.9	18.9	61.9
Special Item included in Operating Income	—	—	14.1	—	(14.1)
Adjusted Operating Income ex. Special Item*	137.8	118.9	90.0	18.9	47.8
Adjusted Operating Margin ex. Surcharge Rev. and Special Item*	23.1%	21.7%	16.3%	1.4%	6.8%
Effective Tax Rate ex. Special Items	21.8%	20.0%	37.6%	1.8%	(15.8%)
Net Income	95.4	84.1	6.3	11.3	89.1
Diluted Earnings per Share	\$1.88	\$1.66	\$0.12	\$0.22	\$1.76
Adjusted Diluted Earnings per Share ex. Special Items*	\$1.88	\$1.66	\$1.19	\$0.22	\$0.69

SAO Segment Summary

\$ millions	Q3-25	Q2-25	Q3-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	44,584	44,714	50,846	(130)	(6,262)
Net Sales	642.9	601.5	608.5	41.4	34.4
Net Sales ex. Surcharge Revenue*	519.4	479.6	483.0	39.8	36.4
Operating Income	151.4	135.6	103.5	15.8	47.9
Adjusted Operating Margin ex. Surcharge Revenue*	29.1%	28.3%	21.4%	0.8%	7.7%

Q3-25 Business Results

- Net sales excluding surcharge increased 8% year-over-year and sequentially, driven by Aerospace and Defense end-use market
- Record operating income, up 46% year-over-year, the result of improved product mix and realized benefits of pricing actions
- Record adjusted operating margin, the thirteenth consecutive quarter with margin expansion

Q4-25 Outlook

- Maintaining focus on additional opportunities to increase productivity, while managing operating costs closely and optimizing product mix
- Q4-25 operating income expected to be in the range of \$160 million to \$165 million

PEP Segment Summary

\$ millions	Q3-25	Q2-25	Q3-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)*	2,584	2,208	2,618	376	(34)
Net Sales	104.9	95.0	102.4	9.9	2.5
Net Sales ex. Surcharge Revenue**	96.8	86.2	94.6	10.6	2.2
Operating Income	10.9	7.0	9.2	3.9	1.7
Adjusted Operating Margin ex. Surcharge Revenue**	11.3%	8.1%	9.7%	3.2%	1.6%

Q3-25 Business Results

- Net sales excluding surcharge increased 12% sequentially and 2% year-over-year; sequential sales growth driven by strong sales of titanium in Aerospace and Defense end-use market
- Operating income results reflect increasing productivity in our titanium business unit combined with year-over-year and sequential improvement in our Additive business product mix as volumes increased with strategic customers

Q4-25 Outlook

- Continuing to drive actions to enhance productivity and throughput rates across manufacturing facilities to support strong demand for titanium solutions, while managing costs in other businesses
- Q4-25 operating income expected to be in the range of \$10 million to \$12 million

Healthy liquidity and positive cash flow supports balanced execution against priorities

Positive Adjusted Free Cash Flow Generation

- Generated \$34.0 million in adjusted free cash flow* in current quarter, \$86.1 million year-to-date
- Strong earnings momentum and disciplined working capital management driving results
- Current quarter's results include \$38.0 million discretionary pension contribution

Executing against planned capital allocation priorities

- Repurchased \$37.5 million of stock during current quarter, \$77.8 million of stock repurchases year-to-date against \$400 million authorization
- Funded consistent quarterly cash dividend
- Expect to spend \$155 million to \$160 million in capex including ~\$30 million related to recently announced brownfield expansion

Healthy liquidity, strong balance sheet and positive outlook

- Liquidity remains healthy at \$500.4 million including \$151.5 million of cash and \$348.9 million of available borrowings under Credit Facility
- Net Debt/EBITDA (0.9x) remains at historic lows with no near-term debt maturities
- On track to deliver target of \$250 million to \$300 million of adjusted free cash flow in fiscal year 2025



3rd QUARTER FISCAL YEAR 2025 CLOSING COMMENTS

Tony Thene | President and Chief Executive Officer

Strong execution with record quarter

- Record profits up 53% year-over-year
- SAO continues to expand adjusted operating margins, reaching 29.1%
- Generated \$34.0 million in adjusted free cash flow
- Executed \$37.5 million in share repurchases

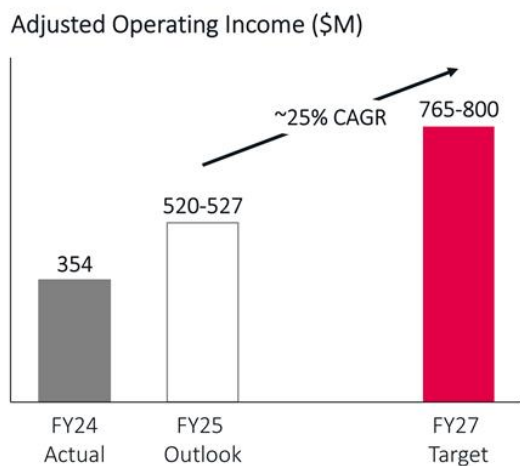
Navigating macroeconomic events

- Increased costs due to tariffs will be passed through surcharge mechanisms
- Supporting supply chains for all aerospace platforms through broad portfolio of products
- Partnering with customers to address near-term priorities
- Optimizing production schedules through supply chain visibility and manufacturing flexibility

Strengthening earnings growth outlook

- Anticipating Q4 operating income of \$146 million to \$153 million
- Increasing FY25 adjusted operating income guidance to \$520 million to \$527 million
- On track to deliver target of \$250 million to \$300 million of adjusted free cash flow in fiscal year 2025

Strong earnings growth to continue over next several years



- Attractive, ~25% earnings CAGR over next 2 years
- FY26 materially higher than FY25; FY27 not the peak of earnings growth
- Continued margin expansion with volume, mix and pricing improvement
- Significant expected cash generation of ~ \$1 billion in FY25-FY27, reaching 90% conversion rate, excluding brownfield investment
- Capital allocation: investing for long-term growth while returning cash to shareholders
- Strategic brownfield expansion accelerates long-term earnings with expected +20% return; no material impact on supply-demand imbalance

APPENDIX OF NON-GAAP SCHEDULES

Cash Flow & Liquidity Summary

\$ millions	Q3-25	Q2-25	Q1-25	9 MOS FY25	9 MOS FY24
Net Income + Noncash Items	139.8	125.0	128.7	393.8	283.5
Inventory	(12.6)	(63.9)	(16.8)	(93.3)	(155.6)
Working Capital / Other	(9.6)	12.3	(62.1)	(59.7)	(17.6)
Total Net Working Capital / Other	(22.2)	(51.6)	(78.9)	(153.0)	(173.2)
Pension Plan Contributions	(43.4)	(5.5)	(9.6)	(58.5)	(4.9)
Net Cash Provided from Operating Activities	74.2	67.9	40.2	182.3	105.4
Purchases of Property, Plant, Equipment and Software	(40.2)	(29.3)	(26.9)	(96.3)	(68.9)
Proceeds from Disposals of Property, Plant and Equipment	—	—	—	0.1	0.1
Adjusted Free Cash Flow*	34.0	38.6	13.3	86.1	36.6

\$ millions	Q3-25	Q2-25	Q1-25	9 MOS FY25	9 MOS FY24
Cash	151.5	162.1	150.2	151.5	53.5
Available Borrowing Under Credit Facility	348.9	348.9	348.9	348.9	348.8
Total Liquidity	500.4	511.0	499.1	500.4	402.3

Non-GAAP Schedules

Adjusted Operating Margin ex. Surcharge Revenue and Special Item

\$ millions	Q3-25	Q2-25	Q3-24
Net Sales	727.0	676.9	684.9
Less: Surcharge Revenue	130.0	128.9	131.1
Net Sales ex. Surcharge Revenue	597.0	548.0	553.8
Operating Income	137.8	118.9	75.9
Special Item:			
Goodwill impairment	—	—	14.1
Adjusted Operating Income ex. Special Item	137.8	118.9	90.0
Operating Margin	19.0%	17.6%	11.1%
<i>Adjusted Operating Margin ex. Surcharge Revenue and Special Item</i>	<i>23.1%</i>	<i>21.7%</i>	<i>16.3%</i>

Management believes that removing the impact of raw material surcharge from operating margin provides a more consistent basis for comparing results of operations from period to period, thereby permitting management to evaluate performance and investors to make decisions based on the ongoing operations of the Company. In addition, management believes that excluding the impact of special items from operating margin is helpful in analyzing the operating performance of the Company, as these items are not indicative of ongoing operating performance. Management uses its results excluding these amounts to evaluate its operating performance and to discuss its business with investment institutions, the Company's board of directors and others.

Non-GAAP Schedules

Adjusted Segment Operating Margin ex. Surcharge Revenue

\$ millions	SAO	SAO	SAO	PEP	PEP	PEP
	Q3-25	Q2-25	Q3-24	Q3-25	Q2-25	Q3-24
Net Sales	642.9	601.5	608.5	104.9	95.0	102.4
Less: Surcharge Revenue	123.5	121.9	125.5	8.1	8.8	7.8
Net Sales ex. Surcharge Revenue	519.4	479.6	483.0	96.8	86.2	94.6
Operating Income	151.4	135.6	103.5	10.9	7.0	9.2
Operating Margin	23.5%	22.5%	17.0%	10.4%	7.4%	9.0%
<i>Adjusted Operating Margin ex. Surcharge Revenue</i>	<i>29.1%</i>	<i>28.3%</i>	<i>21.4%</i>	<i>11.3%</i>	<i>8.1%</i>	<i>9.7%</i>

Management believes that removing the impact of raw material surcharge from operating margin provides a more consistent basis for comparing results of operations from period to period, thereby permitting management to evaluate performance and investors to make decisions based on the ongoing operations of the Company. Management uses its results excluding these amounts to evaluate its operating performance and to discuss its business with investment institutions, the Company's board of directors and others.

Non-GAAP Schedules

Adjusted Diluted Earnings Per Share

\$ millions, except per share amounts	Q3-25	Q2-25	Q3-24
Diluted Earnings per Share	\$1.88	\$1.66	\$0.12
Net Income	95.4	84.1	6.3
Special Items, net of tax:			
Goodwill impairment	—	—	14.1
Pension settlement charges	—	—	39.5
Special Items, net of tax:	—	—	53.6
Net Income Excluding Special Items	95.4	84.1	59.9
Adjusted Diluted Earnings per Share Excluding Special Items	\$1.88	\$1.66	\$1.19

Management believes that earnings per share adjusted to exclude the impact of special items is helpful in analyzing the operating performance of the Company, as these items are not indicative of ongoing operating performance. Management uses its results excluding these amounts to evaluate its operating performance and to discuss its business with investment institutions, the Company's board of directors and others.

Non-GAAP Schedules

Adjusted Free Cash Flow

\$ millions	Q3-25	Q2-25	Q1-25	9 MOS FY25	9 MOS FY24
Net Cash Provided from Operating Activities	74.2	67.9	40.2	182.3	105.4
Purchases of Property, Plant, Equipment and Software	(40.2)	(29.3)	(26.9)	(96.3)	(68.9)
Proceeds from Disposals of Property, Plant and Equipment	—	—	—	0.1	0.1
Adjusted Free Cash Flow	34.0	38.6	13.3	86.1	36.6

Management believes that the adjusted free cash flow measure provides useful information to investors regarding the Company's financial condition because it is a measure of cash generated, which management evaluates for alternative uses.

Your trusted partner in innovation.

Carpenter Technology Corporation (NYSE: CRS) is a recognized leader in high-performance specialty alloy materials and process solutions for critical applications in the aerospace and defense, medical, and other markets. Founded in 1889, Carpenter Technology has evolved to become a pioneer in premium specialty alloys including nickel, cobalt, and titanium and material process capabilities that solve our customers' current and future material challenges.

For additional information, please contact

info@cartech.com | 610 208 2000

<https://www.carpentertechnology.com>