
**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: January 30, 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 January 30, 2025, Carpenter Technology Corporation held its second 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 second 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

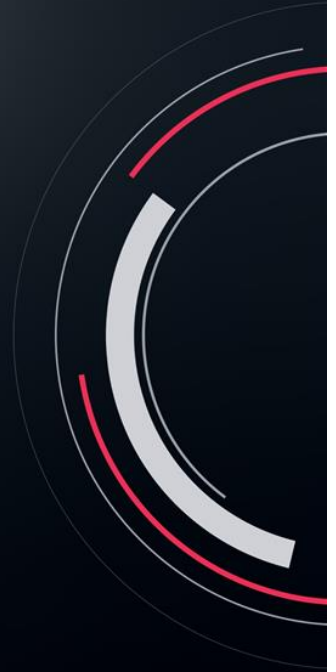
Date: February 3, 2025



January 30, 2025

CARPENTER TECHNOLOGY CORPORATION

2nd 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 quarter ended September 30, 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.

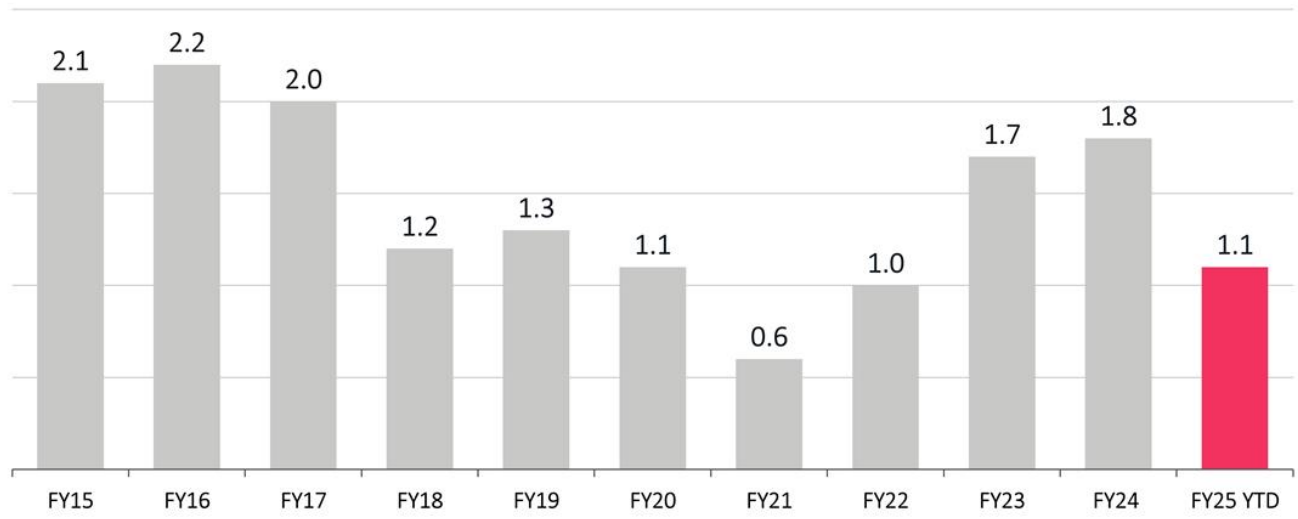


2nd QUARTER FISCAL YEAR 2025

Tony There | President and Chief Executive Officer

Safety is Our Highest Value

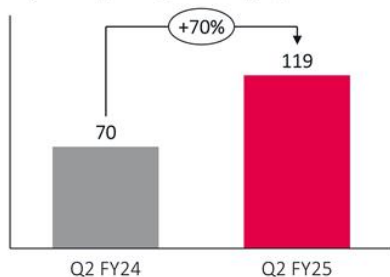
Total case incident rate



Performance: record second quarter operating income and increasing earnings guidance

Record second quarter profits with positive adjusted free cash flow

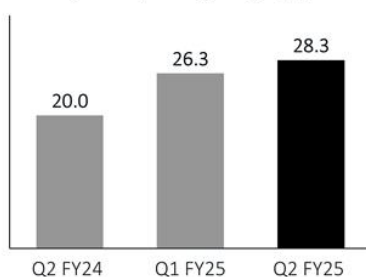
Adjusted Operating Income (\$M) *



- Generated \$38.6 million in adjusted free cash flow*
- Executed \$8.2 million in share repurchases

SAO continues to expand adjusted operating margins

SAO Adjusted Operating Margin (%) *








- SAO operating income of \$135.6 million, up 63% year-over-year
- Margin expansion from higher productivity, improving mix and pricing actions

Strengthening outlook; increasing FY25 operating income guidance

- **Future:** expect continued earnings growth beyond FY25
- **Today:** increasing 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

Second Quarter Fiscal Year 2025 Net Sales

MARKET	Q2-25 NET SALES EX. SURCHARGE (\$M)*	% NET SALES EX. SURCHARGE	VS. Q1-25	VS. Q2-24
 AEROSPACE & DEFENSE	\$333.8	61%	↓ -5%	↑ +35%
 MEDICAL	\$73.4	13%	— 0%	↑ +1%
 ENERGY	\$32.2	6%	↓ -18%	↓ -13%
 TRANSPORTATION	\$21.4	4%	↑ +1%	↓ -20%
 INDUSTRIAL & CONSUMER	\$67.4	12%	↓ -7%	↓ -16%

Successfully navigating Aerospace supply chain dynamics

- Aerospace and Defense and Medical end-use markets (together, ~74% of net sales ex. surcharge) up year-over-year
- Partnering with customers to manage short-term priorities
- Optimizing production schedules through supply chain visibility and manufacturing flexibility
- Long-term demand remains robust, with strong customer engagement and high backlogs
- Expect fiscal third quarter net sales to increase sequentially

2nd QUARTER FISCAL YEAR 2025 FINANCIAL OVERVIEW

Tim Lain | Senior Vice President and Chief Financial Officer

Income Statement Summary

\$ millions, except per share amounts

	Q2-25	Q1-25	Q2-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	46,170	51,568	49,082	(5,398)	(2,912)
Net Sales	676.9	717.6	624.2	(40.7)	52.7
Net Sales ex. Surcharge Revenue*	548.0	577.4	485.3	(29.4)	62.7
Gross Profit	177.5	176.3	122.6	1.2	54.9
Selling, General and Administrative Expenses	58.6	59.1	52.8	(0.5)	5.8
Operating Income	118.9	113.6	69.8	5.3	49.1
Special Item included in Operating Income	—	3.6	—	(3.6)	—
Adjusted Operating Income ex. Special Item*	118.9	117.2	69.8	1.7	49.1
Adjusted Operating Margin ex. Surcharge Rev. and Special Item*	21.7%	20.3%	14.4%	1.4%	7.3%
Effective Tax Rate ex. Special Item	20.0%	16.4%	22.6%	3.6%	(2.6%)
Net Income	84.1	84.8	42.7	(0.7)	41.4
Diluted Earnings per Share	\$1.66	\$1.67	\$0.85	(\$0.01)	\$0.81
Adjusted Diluted Earnings per Share ex. Special Item*	\$1.66	\$1.73	\$0.85	(\$0.07)	\$0.81

SAO Segment Summary

\$ millions	Q2-25	Q1-25	Q2-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)	44,714	50,100	50,114	(5,386)	(5,400)
Net Sales	601.5	645.1	549.4	(43.6)	52.1
Net Sales ex. Surcharge Revenue*	479.6	510.9	416.2	(31.3)	63.4
Operating Income	135.6	134.5	83.3	1.1	52.3
<i>Adjusted Operating Margin ex. Surcharge Revenue*</i>	<i>28.3%</i>	<i>26.3%</i>	<i>20.0%</i>	<i>2.0%</i>	<i>8.3%</i>

Q2-25 Business Results

- Net sales excluding surcharge increased 15% year-over-year, driven by Aerospace and Defense end-use market
- Record second quarter operating income and margin, the result of ongoing efforts to increase productivity, improve product mix and realize benefits of pricing actions

Q3-25 Outlook

- Maintaining focus on additional opportunities to increase productivity, while managing operating costs closely and optimizing product mix
- Q3-25 operating income expected to be in the range of \$140 million to \$145 million

PEP Segment Summary

\$ millions	Q2-25	Q1-25	Q2-24	SEQUENTIAL CHANGE	YEAR-OVER-YEAR CHANGE
Pounds ('000)*	2,208	2,634	2,318	(426)	(110)
Net Sales	95.0	100.8	95.7	(5.8)	(0.7)
Net Sales ex. Surcharge Revenue**	86.2	92.4	87.9	(6.2)	(1.7)
Operating Income	7.0	7.3	7.1	(0.3)	(0.1)
Adjusted Operating Margin ex. Surcharge Revenue**	8.1%	7.9%	8.1%	0.2%	—%

Q2-25 Business Results

- Net sales excluding surcharge decreased 7% sequentially and 2% year-over-year; increasing sales of titanium in Aerospace and Defense and Medical end-use markets offset by customer order deferrals in Additive business
- Operating income results for current quarter reflect improving year-over-year performance in titanium business more than offset by order deferrals in Additive business

Q3-25 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
- Improving visibility to strategic customer orders expected to drive volumes higher in Additive business
- Q3-25 operating income expected to be in the range of \$10 million to \$12 million

Cash Flow & Liquidity Summary

\$ millions	Q2-25	Q1-25	6 MOS FY25	6 MOS FY24
Net Income + Noncash Items	125.0	128.7	253.8	173.8
Inventory	(63.9)	(16.8)	(80.7)	(157.5)
Working Capital / Other	12.3	(62.1)	(49.9)	10.4
Total Net Working Capital / Other	(51.6)	(78.9)	(130.6)	(147.1)
Pension Plan Contributions	(5.5)	(9.6)	(15.1)	(4.8)
Net Cash Provided from Operating Activities	67.9	40.2	108.1	21.9
Purchases of Property, Plant, Equipment and Software	(29.3)	(26.9)	(56.2)	(47.3)
Adjusted Free Cash Flow*	38.6	13.3	51.9	(25.4)

- Generated \$38.6 million in adjusted free cash flow
- Repurchased 45,000 shares (\$8.2 million) against \$400 million repurchase authorization
- Funded consistent quarterly cash dividend of \$10.1 million (\$0.20 per share)

\$ millions	Q2-25	Q1-25	6 MOS FY25	6 MOS FY24
Cash	162.1	150.2	162.1	15.7
Available Borrowing Under Credit Facility	348.9	348.9	348.9	334.4
Total Liquidity	511.0	499.1	511.0	350.1



2nd QUARTER FISCAL YEAR 2025 CLOSING COMMENTS

Tony Thene | President and Chief Executive Officer

Strong execution with record second quarter

- Record second quarter profits up 70% year-over-year
- SAO continues to expand operating margins
- Generated \$38.6 million in adjusted free cash flow
- Executed \$8.2 million in share repurchases

Navigating Aerospace production rate “re-ramp”

- Partnering with customers to address near-term priorities
- Optimizing production schedules through supply chain visibility and manufacturing flexibility
- Strong long-term demand across markets like Defense, Medical and Energy with Aerospace-like margins

Strengthening earnings growth outlook

- Anticipating Q3 operating income of \$126 million to \$134 million
- Increasing FY25 operating income guidance to \$500 million to \$520 million
- Expecting earnings growth beyond FY25
- Will communicate long-term outlook at upcoming investor event (2/18/25)

APPENDIX OF NON-GAAP SCHEDULES

Non-GAAP Schedules

Adjusted Operating Margin ex. Surcharge Revenue and Special Item

\$ millions	Q2-25	Q1-25	Q2-24
Net Sales	676.9	717.6	624.2
Less: Surcharge Revenue	128.9	140.2	138.9
Net Sales ex. Surcharge Revenue	548.0	577.4	485.3
Operating Income	118.9	113.6	69.8
Special Item:			
Restructuring and asset impairment charges	—	3.6	—
Adjusted Operating Income ex. Special Item	118.9	117.2	69.8
Operating Margin	17.6%	15.8%	11.2%
<i>Adjusted Operating Margin ex. Surcharge Revenue and Special Item</i>	21.7%	20.3%	14.4%

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
	Q2-25	Q1-25	Q2-24	Q2-25	Q1-25	Q2-24
Net Sales	601.5	645.1	549.4	95.0	100.8	95.7
Less: Surcharge Revenue	121.9	134.2	133.2	8.8	8.4	7.8
Net Sales ex. Surcharge Revenue	479.6	510.9	416.2	86.2	92.4	87.9
Operating Income	135.6	134.5	83.3	7.0	7.3	7.1
Operating Margin	22.5%	20.8%	15.2%	7.4%	7.2%	7.4%
<i>Adjusted Operating Margin ex. Surcharge Revenue</i>	<i>28.3%</i>	<i>26.3%</i>	<i>20.0%</i>	<i>8.1%</i>	<i>7.9%</i>	<i>8.1%</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	Q2-25	Q1-25	Q2-24
Diluted Earnings per Share	\$1.66	\$1.67	\$0.85
Net Income	84.1	84.8	42.7
Special Item, net of tax:			
Restructuring and asset impairment charges	—	2.7	—
Special Item, net of tax:	—	2.7	—
Net Income Excluding Special Item	84.1	87.5	42.7
Adjusted Diluted Earnings per Share Excluding Special Item	\$1.66	\$1.73	\$0.85

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	Q2-25	Q1-25	6 MOS FY25	6 MOS FY24
Net Cash Provided from Operating Activities	67.9	40.2	108.1	21.9
Purchases of Property, Plant, Equipment and Software	(29.3)	(26.9)	(56.2)	(47.3)
Adjusted Free Cash Flow	38.6	13.3	51.9	(25.4)

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

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<https://www.carpentertechnology.com>