



Carpenter Technology Announces Press Outage at Reading Facility and Provides Updated Second Quarter Fiscal Year 2022 Outlook

December 20, 2021

PHILADELPHIA, Dec. 20, 2021 (GLOBE NEWSWIRE) -- Carpenter Technology Corporation (NYSE: CRS) (the "Company") today announced an unplanned outage of its 4500 ton press at its Reading, PA facility due to a mechanical failure. The press is a piece of highly specialized equipment that is critical to producing materials for Aerospace and select other end-market applications. With the majority of the necessary spare parts already on-hand, the repairs are currently expected to take 45 to 60 days to complete. In addition, certain planned maintenance activities for the balance of the year have been pulled forward to be performed during this outage. These activities are expected to eliminate 14 days of planned maintenance downtime for the press for the balance of the current fiscal year.

"The press outage has created some near-term challenges for our business," said Tony R. Thene, President and CEO. "In response, we have moved quickly to address the situation and through careful planning and execution are confident we can rapidly bring the press online and ensure its continuous operation for the anticipated Aerospace ramp and rising demand levels across our other end-use markets. In the meantime, we are working closely with affected customers to minimize the impact to their operations."

Based on the near-term challenges associated with the press outage, in addition to cost inflation pressures, labor shortages and the ongoing challenges from COVID-19 isolations across certain key work centers, the Company currently expects its Specialty Alloys (SAO) segment to deliver an operating loss of \$20 to \$22 million in the second quarter of fiscal year 2022.

The Company's Performance Engineered Products (PEP) segment continues to benefit from improving demand conditions and is expected to generate operating income in the range of \$1 to \$2 million in the second quarter of fiscal year 2022.

Based on preliminary estimates subject to finalization, the Company currently expects adjusted operating loss to be in the range of (\$32) to (\$35) million and adjusted loss per share to be in the range of (\$0.60) to (\$0.65).

"While the press outage at Reading and macro challenges are headwinds to our near-term outlook, we remain confident in our long-term growth profile given our critical supply chain position and the improving demand patterns across our end-use markets," Mr. Thene added. "Our order booking rates continue to increase compared to last year which is driving further backlog growth. Our commercial backlog is currently up 25% sequentially and 90% compared to the second quarter a year ago. This backlog growth speaks to our strong customer relationships and the highly specialized nature of the solutions we provide and places us on solid ground for accelerated growth over the long-term."

About Carpenter Technology

Carpenter Technology Corporation is a recognized leader in high-performance specialty alloy-based materials and process solutions for critical applications in the aerospace, defense, transportation, energy, industrial, medical, and consumer electronics markets. Founded in 1889, Carpenter Technology has evolved to become a pioneer in premium specialty alloys, including titanium, nickel, and cobalt, as well as alloys specifically engineered for additive manufacturing (AM) processes and soft magnetics applications. Carpenter Technology has expanded its AM capabilities to provide a complete "end-to-end" solution to accelerate materials innovation and streamline parts production. More information about Carpenter Technology can be found at www.carpentertechnology.com.

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 year ended June 30, 2021 and Form 10-Q for the quarter ended September 30, 2021 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, transportation, energy, 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 rates; (6) the effect of government trade actions; (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 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) uncertainty regarding the return to service of the Boeing 737 MAX aircraft and the related supply chain disruption; (17) potential impacts of the COVID-19 pandemic on our operations, financial results and financial position; (18) our efforts and efforts by governmental authorities to mitigate the COVID-19 pandemic, such as travel bans, shelter in place orders and business closures, and the related impact on resource allocations and manufacturing and supply chains; (19) our status as a "critical", "essential" or "life-sustaining" business in

light of COVID-19 business closure laws, orders and guidance being challenged by a governmental body or other applicable authority; (20) our ability to execute our business continuity, operational, budget and fiscal plans in light of the COVID-19 pandemic; (21) our ability to successfully carry out restructuring and business exit activities on the expected terms and timelines. and (22) our ability to successfully complete equipment repair activities on the expected terms and timelines. 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. Carpenter Technology undertakes no obligation to update or revise any forward-looking statements.

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Source: Carpenter Technology Corporation