

Kennametal Inc

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Kennametal slumps after lowering guidance

Tool supplier Kennametal (NYSE:KMT) said it will miss expectations on the year due to tough market conditions.

The firm, which specializes in materials for industrial production, said sales for the year were hit by a slowdown in the Chinese automotive industry, as well as the US and Chinese coal mining sectors.

Weak oil prices leading to reductions in oil and gas activities have also weighed.

As a result of the sales weakness, earnings per share will be between 30% and 60% lower than previously forecast last month.

Don Nolan, president and chief executive, said: "Our end markets are experiencing significant volatility and we are being challenged by the current global macroeconomic environment."

"In this difficult time of end-market weakness, we will focus on controlling what we can control by tightly managing our costs and working capital, while not losing the capability to respond when the markets recover," he added.

Despite the weak market conditions, the firm said it has made progress in growing the business.

"When market conditions improve, we are confident that Kennametal will deliver substantially improved results," Nolan said.

Shares were around 12% or US\$3 lower to US\$22.38.

Price: 36.92

Market Cap: \$3.07 billion

1 Year Share Price Graph



November 2019 May 2020 November 20

Share Information

Code: KMT

Listing: NYSE

52 week	High	Low
	38.71	14.46

Sector: Manufacturing & engineering

Website: www.kennametal.com

Company Synopsis:

Kennametal Inc. (NYSE: KMT) is a leading global supplier of tooling, engineered components and advanced materials that are consumed in production processes.

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