



# Annual Shareholder Meeting

February 22, 2012

HILLENBRAND

# Growth strategy focuses on creating shareholder value

Leverage our strengths and core competencies to diversify and grow profitably



## Criteria for future acquisition candidates include:

- Attractive margins, strong cash generation and multiple pathways for growth
- Strong brand in its defined space
- Talented, proven management with close customer relationships
- Robust sales and marketing capabilities
- Strong cultural fit with Hillenbrand
- Ability to benefit from our core competencies and share its own competitive strengths

# Hillenbrand has grown significantly since 2008, and now operates on two separate platforms

## 2008 Hillenbrand, Inc.

HI  
LISTED  
NYSE

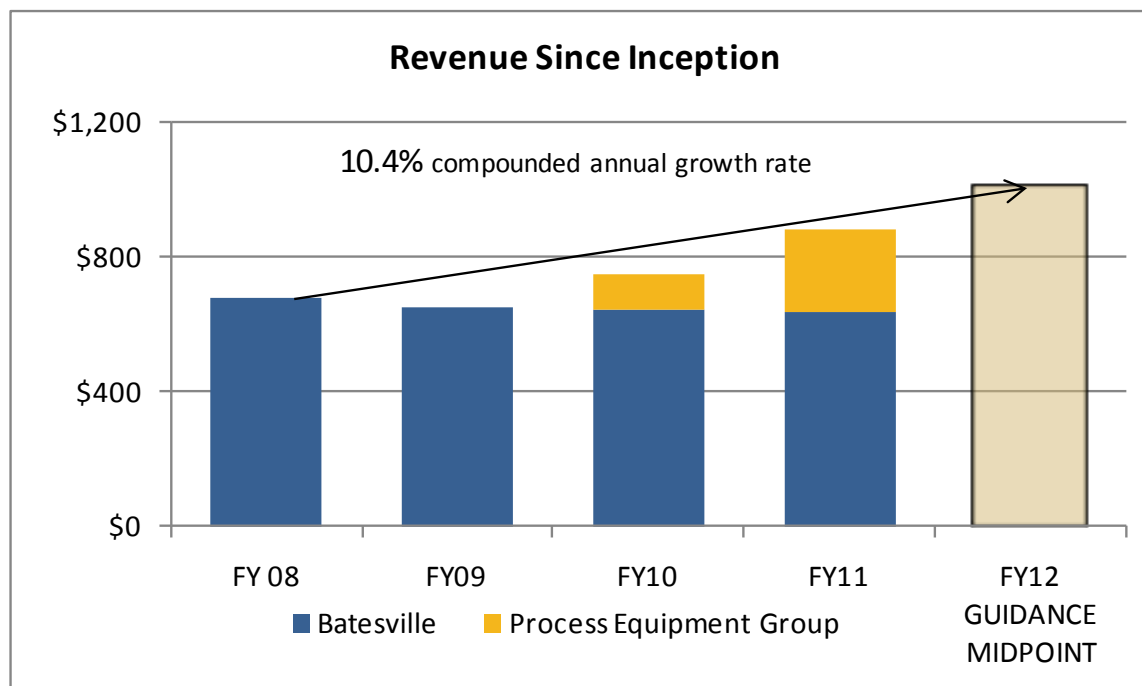
Hillenbrand begins operation as a public company on the Batesville foundational platform  
– April 1, 2008

## 2010 K-Tron

Hillenbrand acquires K-Tron International, Inc. (now part of the Process Equipment Group)  
– April 1, 2010

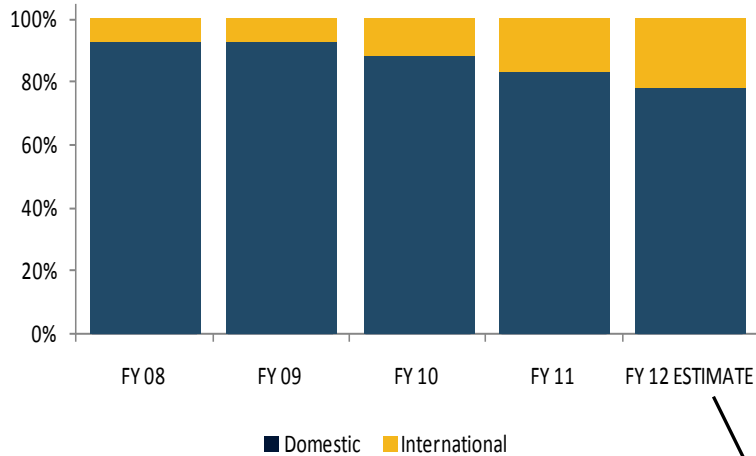
## 2011 Rotex

Hillenbrand acquires Rotex (also part of the Process Equipment Group)  
– August 31, 2011

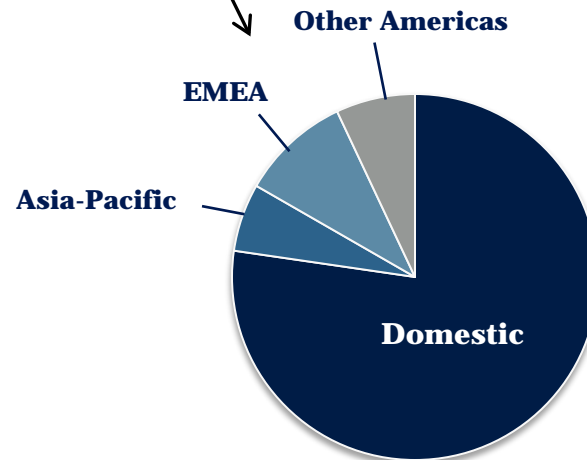
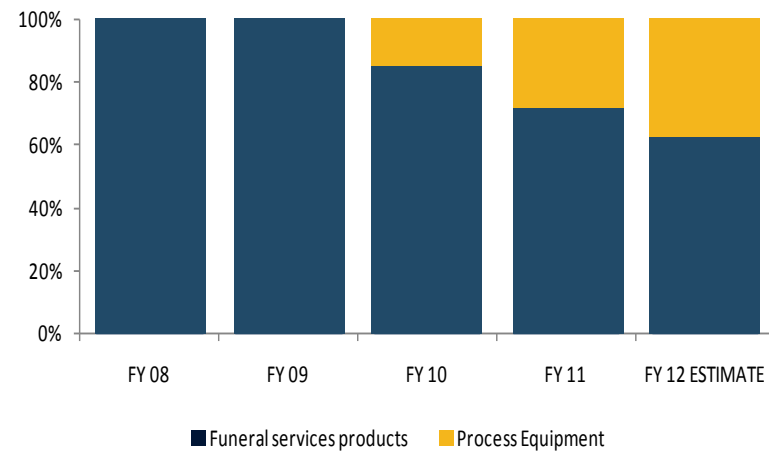


# Hillenbrand's growth strategy has provided diversification both in location and products

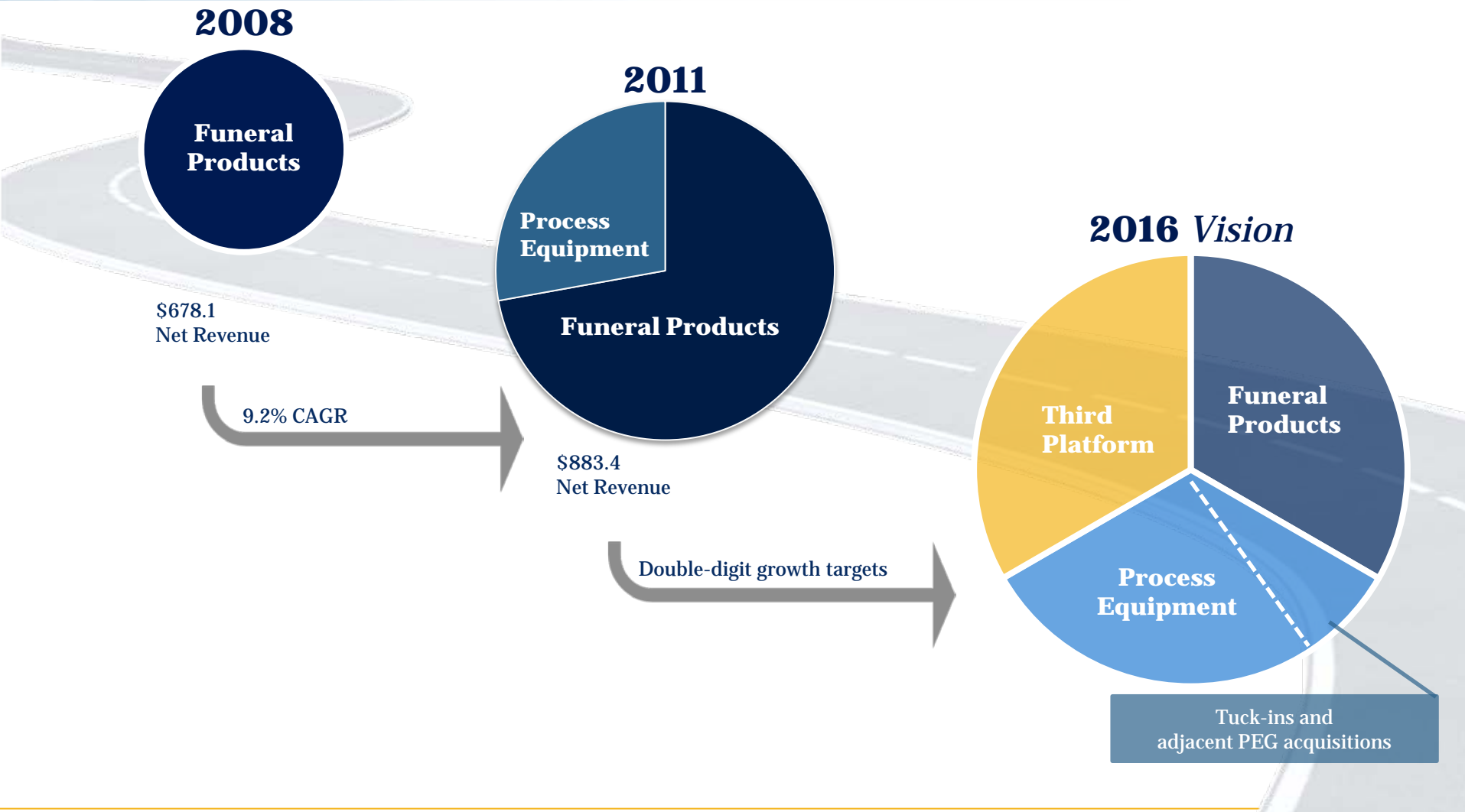
Hillenbrand Revenue Mix by Geography



Hillenbrand Revenue Mix by Platform



# Our strategy is designed to continue growth both organically and through acquisitions

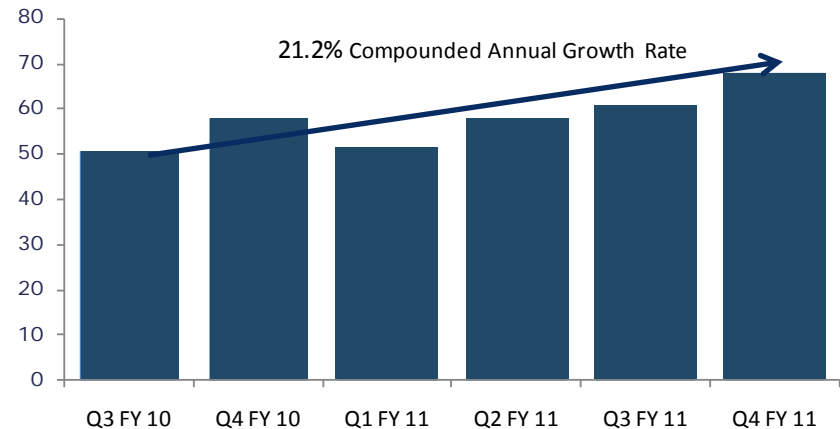


# The Process Equipment Group

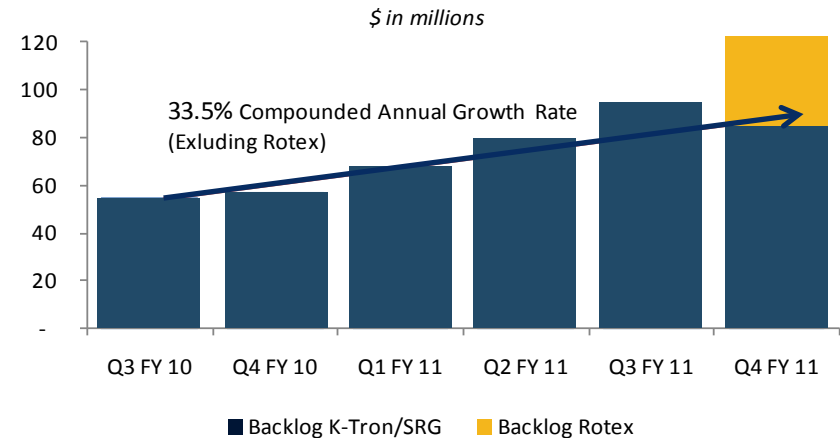
Strong growth potential both in industries and geographies

- History of 10% organic revenue growth
- Significant opportunities to expand into global growth markets
- Robust backlog levels
- Development of lean business skills to reduce costs, improve customer satisfaction and shorten lead times
- History of long-term customer relationships in key industries: plastics, minerals, food, etc.

PEG Revenue (w/o Rotex) \$ in millions



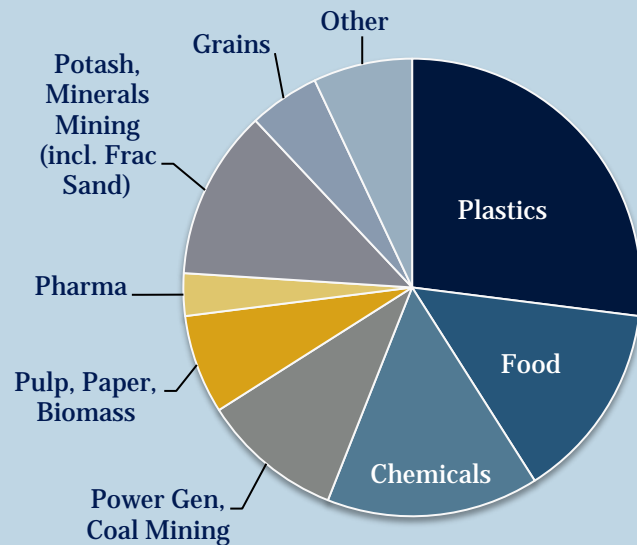
PEG Backlog \$ in millions



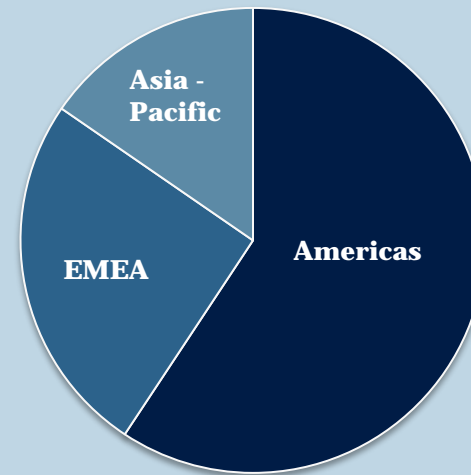
# The Process Equipment Group

Highly diversified by industry and geography

### Revenue Mix by Industry



### Revenue Mix by Geography



# The Process Equipment Group

Manufacturing world-class industrial processing equipment



Leader in feeders,  
pneumatic conveying and  
systems solutions



**Size  
Reduction  
Group**

Crushers and biomass  
handling equipment



**ROTEX**

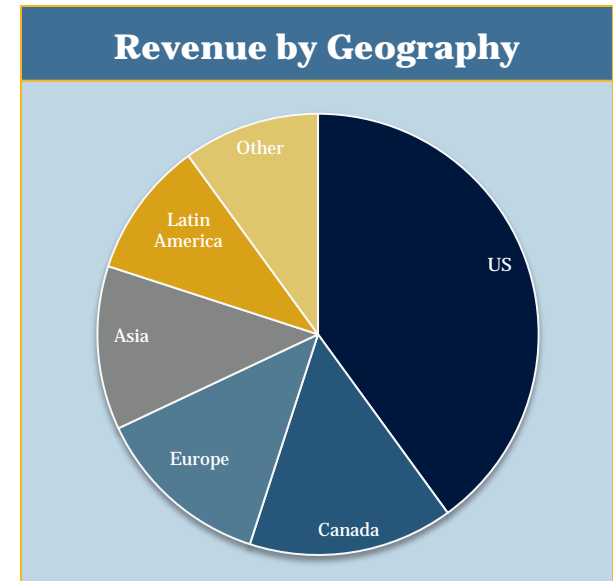
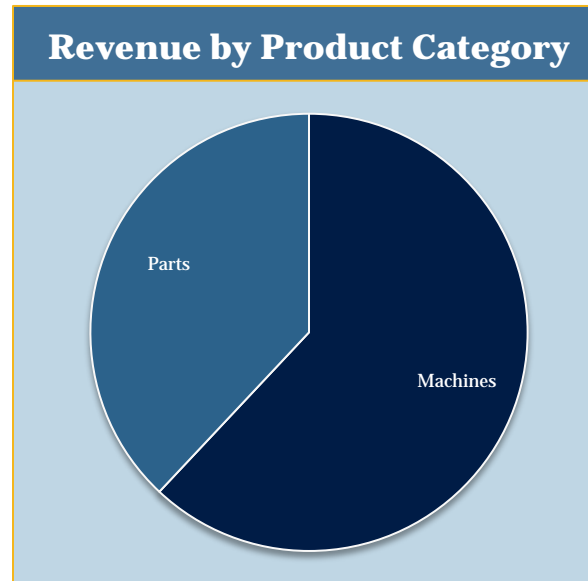
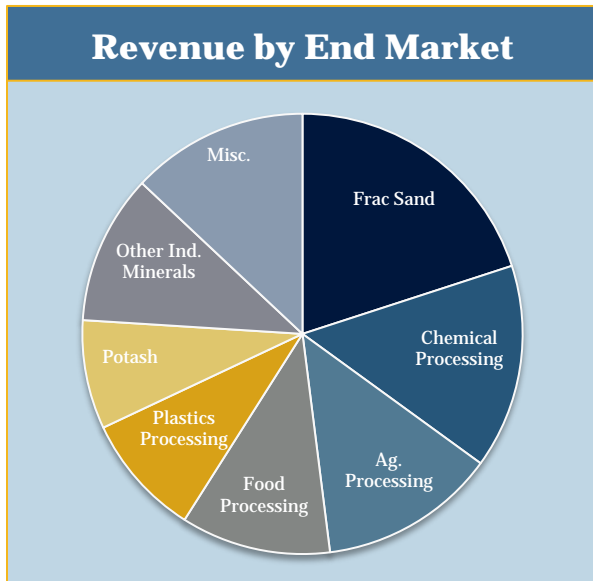
Industrial screening and  
separating equipment



# Rotex Acquisition Sept. 1

Has an attractive business profile in a wide variety of industries and geographies

- Attractive markets, product categories and geographies
- Highly profitable, with strong organic growth and relatively low capital requirements
- Substantial recurring revenue stream from replacement parts business
- A diverse customer base both by geography and industry



*Note: Revenue breakdown charts based on calendar 2010 financials*

# Rotex Acquisition Sept. 1

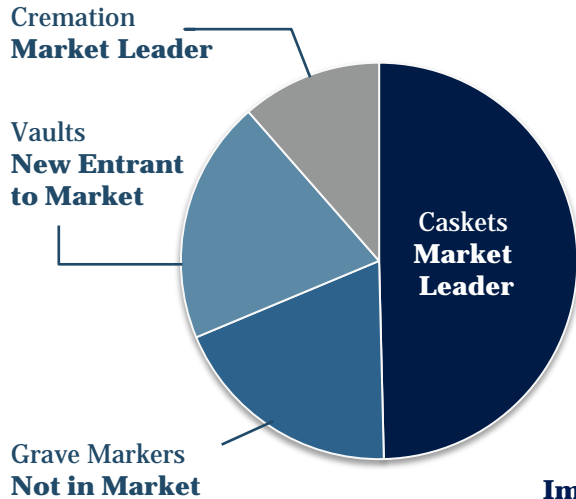
A global company, Rotex has plans to extend its reach into new geographies



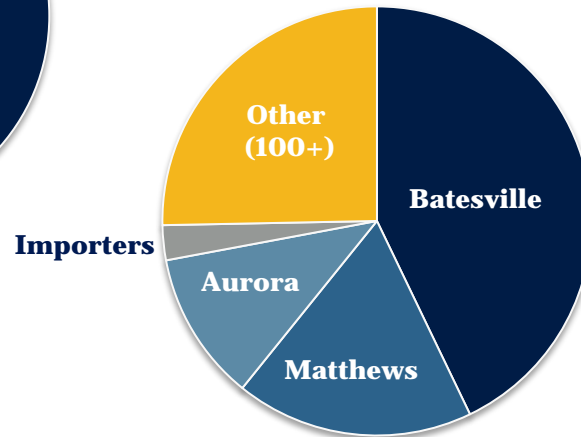
# Batesville

The largest segment of the funeral products industry

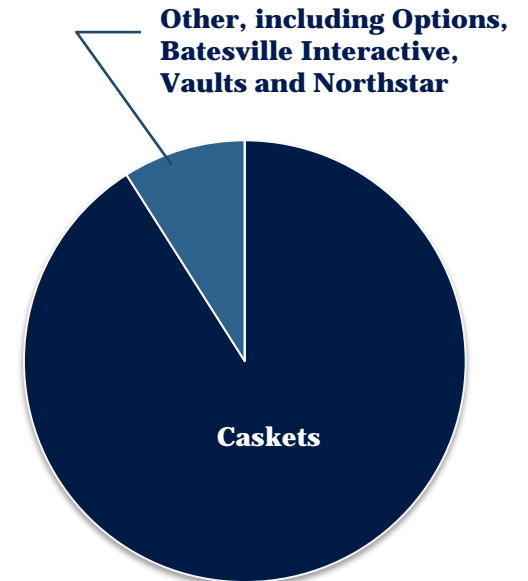
## Funeral Products (\$2.6 Billion Industry)



## Caskets (Total Revenue \$1.3 Billion)



## Batesville (Total 2011 Revenue: \$638 Million)



# Batesville market conditions

Batesville continues to post steady results in an evolving industry

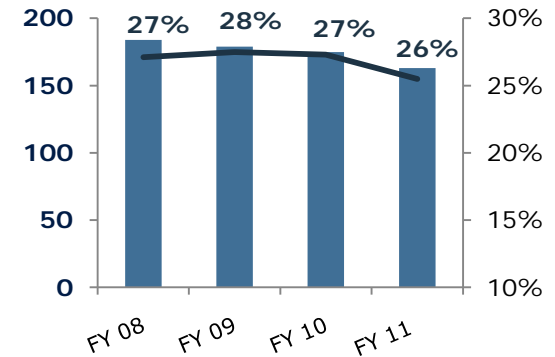
## Attractive Financials

- Historically high return on invested capital (approximately 60%)
- Gross margins exceeding 40%; operating margins exceeding 25%
- We accomplish this by:
  - ✓ Providing a broad portfolio of premium products
  - ✓ Leveraging our high-velocity distribution system
  - ✓ Focusing on lean business practices to improve the cost structure

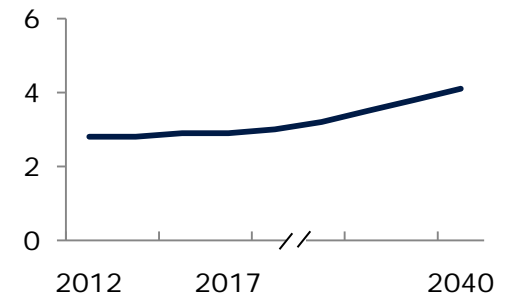
## Industry Dynamics

- Deaths have been declining as healthcare improvements extend life expectancy
- Cremations are increasing at an upward trend of approximately 120-140 basis points per year
- As a result, demand for burial caskets has been declining slowly
- *Competition has become more aggressive, especially on price*

## Operating Profit and Margins



## Estimated Deaths (Millions)





# Financial Overview

# Hillenbrand 2011 results

Net revenue up 18%; Adj. EBITDA up 9%; EPS up 2%;

- The Process Equipment Group grew year-over-year organic revenue by 25% (18% net of fx)
- Completion of Rotex acquisition added one month of sales to already strong PEG results
- Acquisition-related costs affected EBITDA, EPS and cash flow
- Collection of the Forethought Note was a primary driver in year-over-year increase in cash flow from operations
- FY11 results exceeded guidance at both revenue and bottom-line performance

FISCAL YEAR ENDED SEPTEMBER 30			
\$ IN MILLIONS (except EPS)	2011	2010	2011 Guidance
Net Revenue	\$883.4	\$749.2	\$855 - \$875
% Y/Y Growth	17.9%	15.4%	
EBITDA (Adjusted)	\$208.4	\$191.2	
% of Revenue	23.6%	25.5%	
EPS (GAAP)	\$1.71	\$1.49	\$1.69-\$1.75
EPS (Adjusted)	\$1.84	\$1.80	\$1.72 - \$1.78
Cash Flows from Operations	\$189.5	\$118.2	

See the 10-K for reconciliation between GAAP and adjusted balances for the years ended October 31, 2011 and 2010, respectively.

# Hillenbrand Q1 2012

Net revenue up 10%; Process Equipment Group up 68% (37% of total revenue)

- Top- and bottom-line results were strengthened as a result of our acquisition strategy to diversify holdings
- The Process Equipment Group grew year-over-year revenue by 68%, delivering 20% organic revenue growth
- Order backlog for the Process Equipment Group continued to grow sequentially, ending the quarter at \$129 million – 8% higher than Q4 2011
- Batesville cash generation remained consistent despite soft demand in the quarter that led to a 9% drop in Batesville revenue
- Hillenbrand realized a \$10 million tax benefit as the result of permanently reinvesting certain international earnings overseas

## FIRST QUARTER ENDED DECEMBER 31

	Q1 2012	Q1 2011
<b>\$ IN MILLIONS (except EPS)</b>		
Net Revenue	\$232	\$211
% Y/Y Growth	10%	30%
EBITDA (Adjusted)	\$48	\$51
% of Revenue	21%	24%
EPS (GAAP)	\$.50	\$.44
EPS (Adjusted)	\$0.40	\$0.44
Cash Flows from Operations	\$27	\$28

See the 10-Q for reconciliation between GAAP and adjusted balances for the quarters ended December 31, 2011 and 2010, respectively.

# Hillenbrand capital deployment

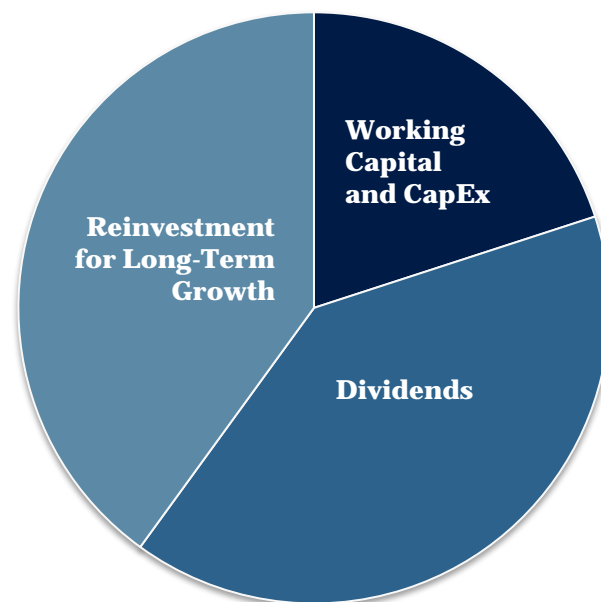
Focus is on creating shareholder value

## Meaningful dividend

- Annual dividend in 2011 was \$.76 per share, which was equivalent to a 44% payout ratio (41% adjusted)
- Increased dividend in December to \$.77 per share
- Attractive current dividend yield: 3.25% (2/17/12)

## Reinvestment for long-term growth

- Invest to support organic growth
- Acquire quality businesses with growth potential in the Process Equipment Group space
- Acquire new platform





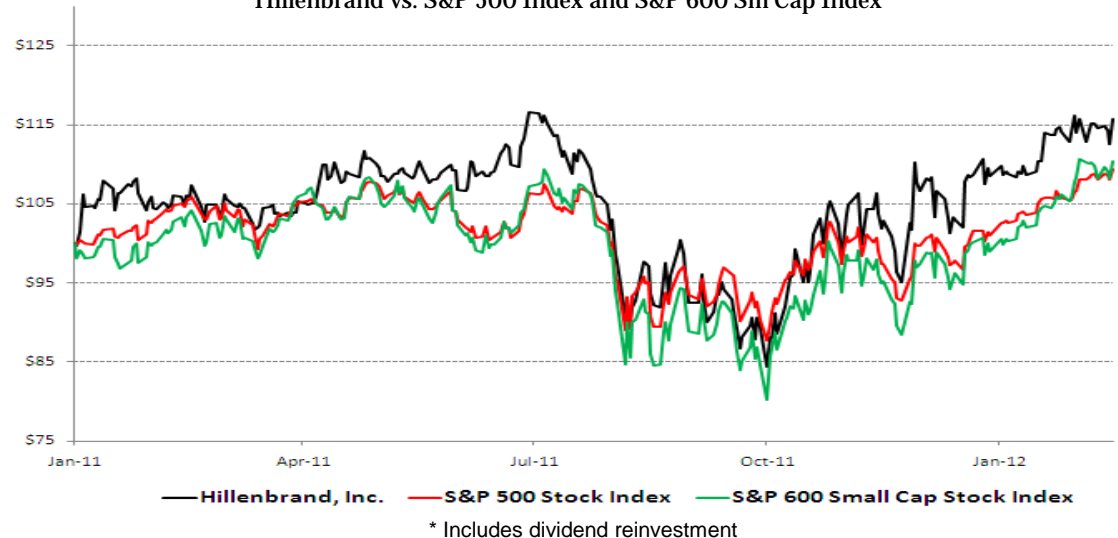
# Shareholder value

Our responsibility is to be effective stewards of your investment

- Our stock outperformed the SP 500 and S&P 600 indices during a highly volatile period (2011 – present)
- We have increased our dividend by 1¢ per share for each year of our existence (4 consecutive years)
- Our current dividend yield is 3.25% (2/17/2012)

## Stock Performance

Hillenbrand vs. S&P 500 Index and S&P 600 Sm Cap Index



## Our Strategy

Build a strong, diversified organization that supports growth-oriented operating companies to drive accelerated increases in shareholder value.

We'll provide effective governance and leverage results through these core competencies:

- Strategy management process
- Lean business practices
- Intentional talent development

# Hillenbrand is an attractive investment opportunity

## Cash Generation

- Both Batesville and the Process Equipment Group are market leaders and proven cash generators
- Strong balance sheet and stable cash flow support the Hillenbrand growth strategy

## Growth Opportunity

- The Process Equipment Group provides significant global growth opportunities and diversification
- Growth is enhanced by leveraging our core competencies
- Further acquisitions will provide additional profitable growth and diversification

## Strong Dividend

- Meaningful return of cash to shareholders, including an attractive dividend yield
- Annual dividend increases since HI inception (2008)

## History and Culture of Execution

- Proven, results-oriented management teams with operational, public company and acquisition expertise
- Strong core competencies in lean business
- Long track record of increasing revenues and carefully managing expenses



# Questions

HILLENBRAND



# Annual Shareholder Meeting

February 22, 2012

HILLENBRAND