

CARPENTER TECHNOLOGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The changes in the carrying amount of goodwill by reportable segment for fiscal years 2019 and 2018 were as follows:

(\$ in millions)	June 30, 2017	Acquisition	June 30, 2018	Acquisition	June 30, 2019
Goodwill	\$ 310.6	\$ 5.3	\$ 315.9	\$ 57.7	\$ 373.6
Accumulated impairment losses	(47.2)	—	(47.2)	—	(47.2)
Total goodwill	<u>\$ 263.4</u>	<u>\$ 5.3</u>	<u>\$ 268.7</u>	<u>\$ 57.7</u>	<u>\$ 326.4</u>
Specialty Alloys Operations	\$ 195.5	\$ —	\$ 195.5	\$ —	\$ 195.5
Performance Engineered Products	67.9	5.3	73.2	57.7	130.9
Total goodwill	<u>\$ 263.4</u>	<u>\$ 5.3</u>	<u>\$ 268.7</u>	<u>\$ 57.7</u>	<u>\$ 326.4</u>

Other Intangible Assets, Net

(\$ in millions)	Useful Life (in Years)	June 30, 2019			June 30, 2018		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks and trade names	15 - 30	\$ 33.5	\$ (24.3)	\$ 9.2	\$ 33.5	\$ (23.2)	\$ 10.3
Customer relationships	10 - 15	76.9	(36.0)	40.9	76.9	(30.8)	46.1
Non-compete agreements	5	0.2	(0.1)	0.1	0.2	(0.1)	0.1
Technology	15	7.3	(1.0)	6.3	7.3	(0.5)	6.8
Patents	14 - 20	11.4	(0.7)	10.7	—	—	—
Total		<u>\$ 129.3</u>	<u>\$ (62.1)</u>	<u>\$ 67.2</u>	<u>\$ 117.9</u>	<u>\$ (54.6)</u>	<u>\$ 63.3</u>

The Company recorded \$7.3 million of amortization expense related to intangible assets during fiscal year 2019, \$6.8 million during fiscal year 2018 and \$6.8 million during fiscal year 2017. The estimated annual amortization expense related to intangible assets for each of the succeeding five fiscal years is \$7.6 million in fiscal years 2020, 2021, 2022, 2023 and 2024.

9. Accrued Liabilities

Accrued liabilities consisted of the following as of June 30, 2019 and 2018:

(\$ in millions)	June 30,	
	2019	2018
Accrued compensation and benefits	\$ 71.2	\$ 83.3
Derivative financial instruments	16.7	—
Accrued postretirement benefits	14.7	15.4
Deferred revenue	10.5	10.4
Accrued interest expense	10.4	10.4
Accrued income taxes	4.2	1.4
Accrued pension liabilities	3.4	3.3
Other	26.5	24.4
Total accrued liabilities	<u>\$ 157.6</u>	<u>\$ 148.6</u>