



First Quarter 2018 Conference Call

April 24, 2018

Relentless Innovation®

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Forward-Looking Statements

This presentation contains forward-looking statements. Actual results may differ materially from results anticipated in the forward-looking statements due to various known and unknown risks, many of which we are unable to predict or control. These and additional risk factors are described from time to time in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2017.

First Quarter 2018 Highlights

\$M (excl. EPS)	Q1 2017	Q1 2018	% Chg.
Revenue	\$865.9	\$979.0	+13%
Segment Oper. Profit	69.9	\$96.4	+38%
Segment Oper. Profit Margin	8.1%	9.8%	+170 b.p.
Net Income*	\$17.5	\$58.0	+232%
Net Income* (ex. special items)	\$17.5	\$43.3	+147%
EPS	\$0.16	\$0.42	+163%
EPS (ex. special items)	\$0.16	\$0.32	+100%

*Attributable to ATI

Revenue growth of 13%

- Strong jet engine market demand exceeded first quarter expectations
- Substantial improvements in oil & gas and construction & mining markets

Segment Operating Profit Margin up 170 b.p.

- Significant expansion of next-generation jet engine product sales
- Unfavorable accounting and currency items in Flat Rolled Products segment

Adjusted results exclude a \$15 million after-tax gain related to formation of the A&T Stainless JV

note: see appendix for reconciliation of non-GAAP financial measures

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High Performance Materials & Components



Segment (\$M)	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q1 '18 YOY
Sales	\$477.2	\$510.4	\$526.4	\$512.9	\$517.7	\$560.7	+10%
Operating Profit	\$53.8	\$50.9	\$68.0	\$61.7	\$65.8	\$85.5	+68%
% of Sales	11.3%	10.0%	12.9%	12.0%	12.7%	15.2%	+520 b.p.

First Quarter vs. Prior Year

- Revenue increased 10%
 - Aerospace & Defense growth of 12%; next generation jet engine products +65%
 - Strong customer demand for forged and mill products across various end-markets
- Operating margin improved 520 b.p.
 - 7th consecutive quarter of at least 140 b.p. margin improvement vs. prior year
 - Continued product mix and utilization benefits related to next generation jet engine production ramp

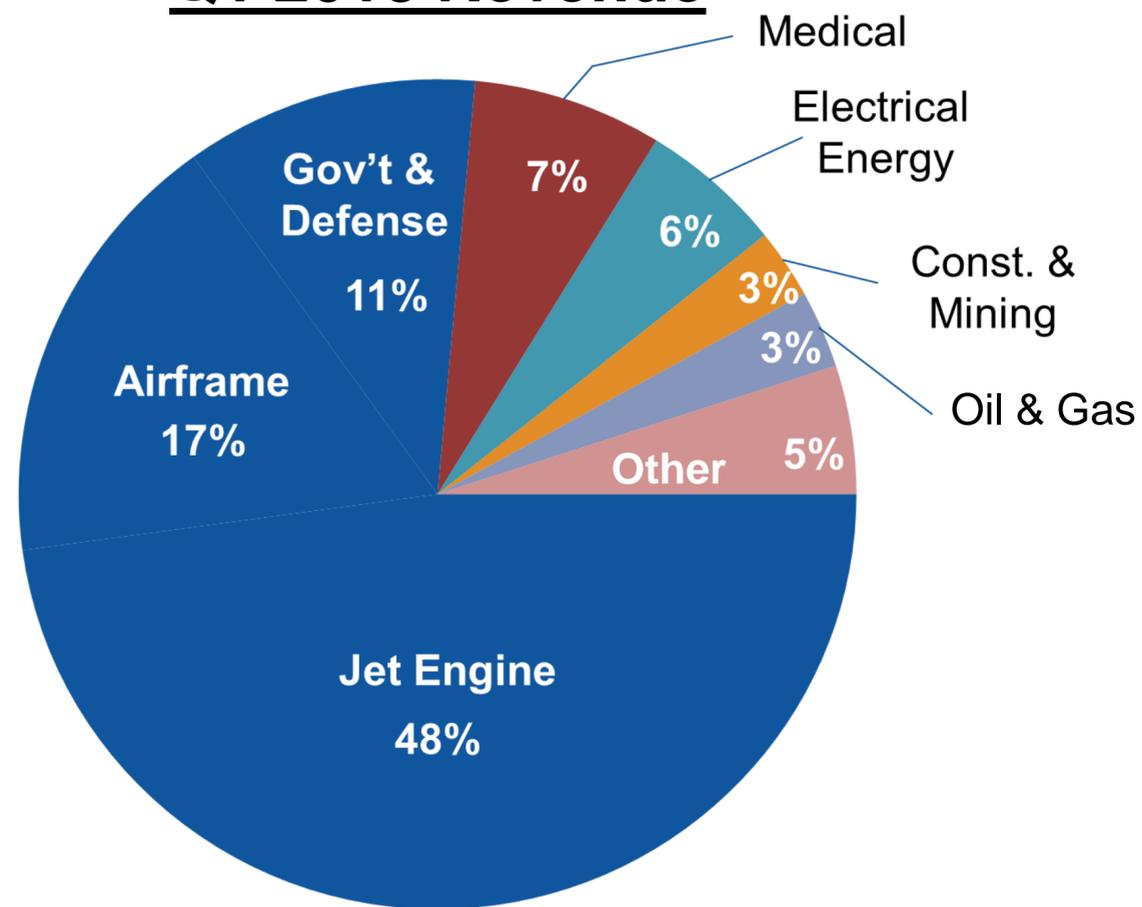
First Quarter vs. Fourth Quarter

- Revenue growth rates mixed by market
 - Commercial jet engine revenue +17%; commercial airframe +1%
 - All other revenue +2%; all other markets progressing as expected
- Operating margins increased 250 b.p.
 - Improved product mix due to increased next-generation jet engine product sales

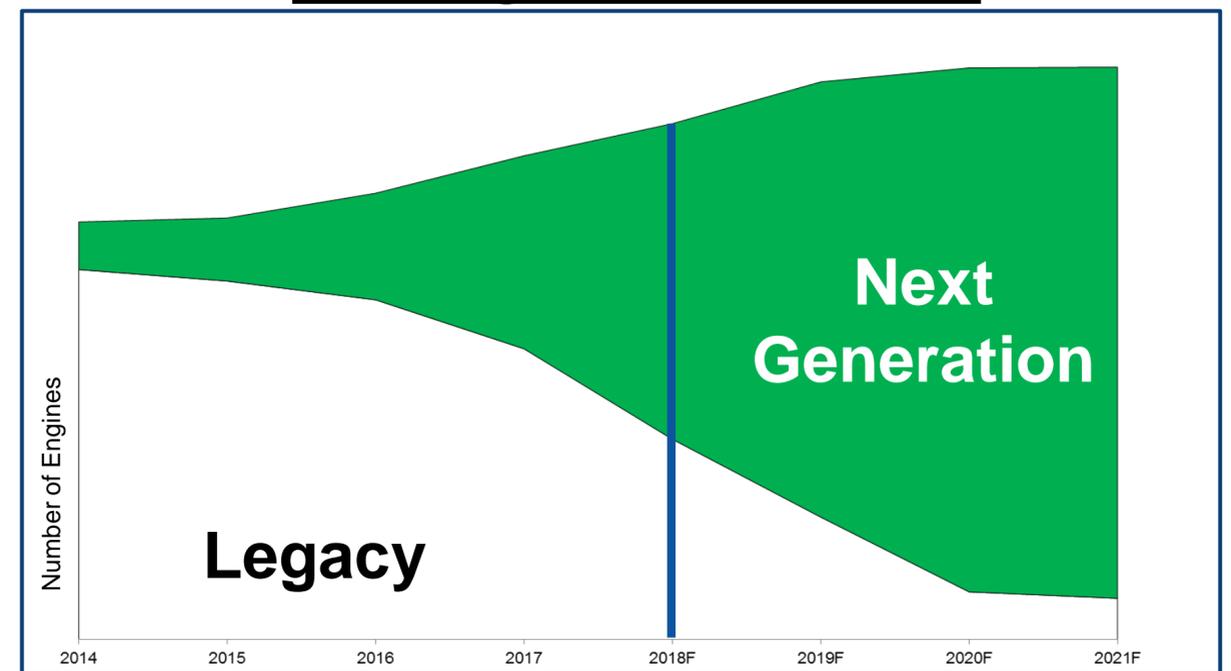
High Performance Materials & Components

Revenue by Market

Q1 2018 Revenue



Jet Engine Production



Source: ATI Market Outlook, Airline Monitor, Forecast International

Jet Engine

- Next generation products represent 48% of total jet engine product sales
- Forgings & castings revenue +34% YOY
- Baker's Powder achieved key customer qualification

Airframe

- OEM shipments inline with PY; transitory distribution customer order patterns

Government & Defense

- Growth in naval nuclear and military jet engine products YOY

Q1'18 YOY Revenue Change by Market

Jet Engine	+23%
Airframe	-8%
Gov't & Defense	+5%
Aerospace & Defense	+12%
Medical	-13%
Electrical Energy	+4%
Construction & Mining	+52%
Oil & Gas	-8%
HPMC Segment	+10%

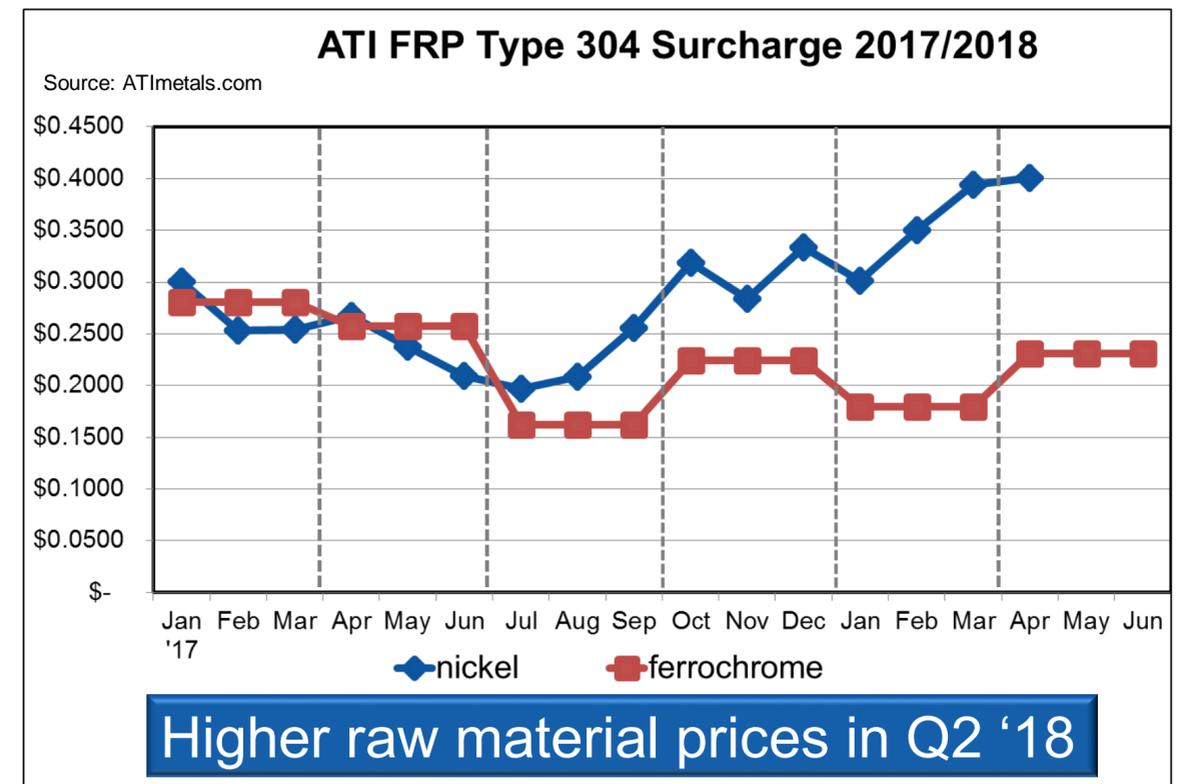
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Flat Rolled Products

Segment (\$M)	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q1'18 vs. Q4'17
Sales	\$318.9	\$355.5	\$353.8	\$356.2	\$392.2	\$418.3	+7%
Operating Profit/(Loss)	\$(0.8)	\$19.0	\$2.9	\$(7.3)	\$22.4	\$10.9	-51%
% of Sales	(0.3)%	5.3%	0.8%	(2.0)%	5.7%	2.6%	-310 b.p.

First Quarter vs. Prior Year

- Revenue increased 18%
 - Increased demand & improved product mix
 - Strong growth in Oil & Gas
- Operating profit declined
 - Unfavorable items
 - Q1'18: retirement benefit change (~\$5M)
 - Q1'17: ferrochrome benefit (~\$6M)
 - Negative foreign currency impacts (~\$3M)



First Quarter vs. Fourth

- Revenue increased 7%
 - Growth in Oil & Gas and Automotive partially offset by declines in Electronics
 - Quarterly record for nickel sheet product shipments; building on record set in Q4'17
- Operating profit decline
 - Unfavorable retirement benefit accounting change impact
 - Lower STAL JV activity due to China New Year holiday; neg. foreign currency impact

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Flat Rolled Products

Strategic Actions

A&T Stainless Joint Venture

- Formation announced March 1st
- Filed Section 232 tariff exclusion request March 26th
- Meeting or exceeding all key metrics on our production ramp-up plan
- Initial HRPF utilization benefits realized in March due to JV slab conversion

STAL Joint Venture

- STAL expansion on track, production targeted for Q2 '18
- Expansion fully-funded by joint venture cash flow
- Continued strong Chinese domestic market demand

HRPF Conversion Agreements

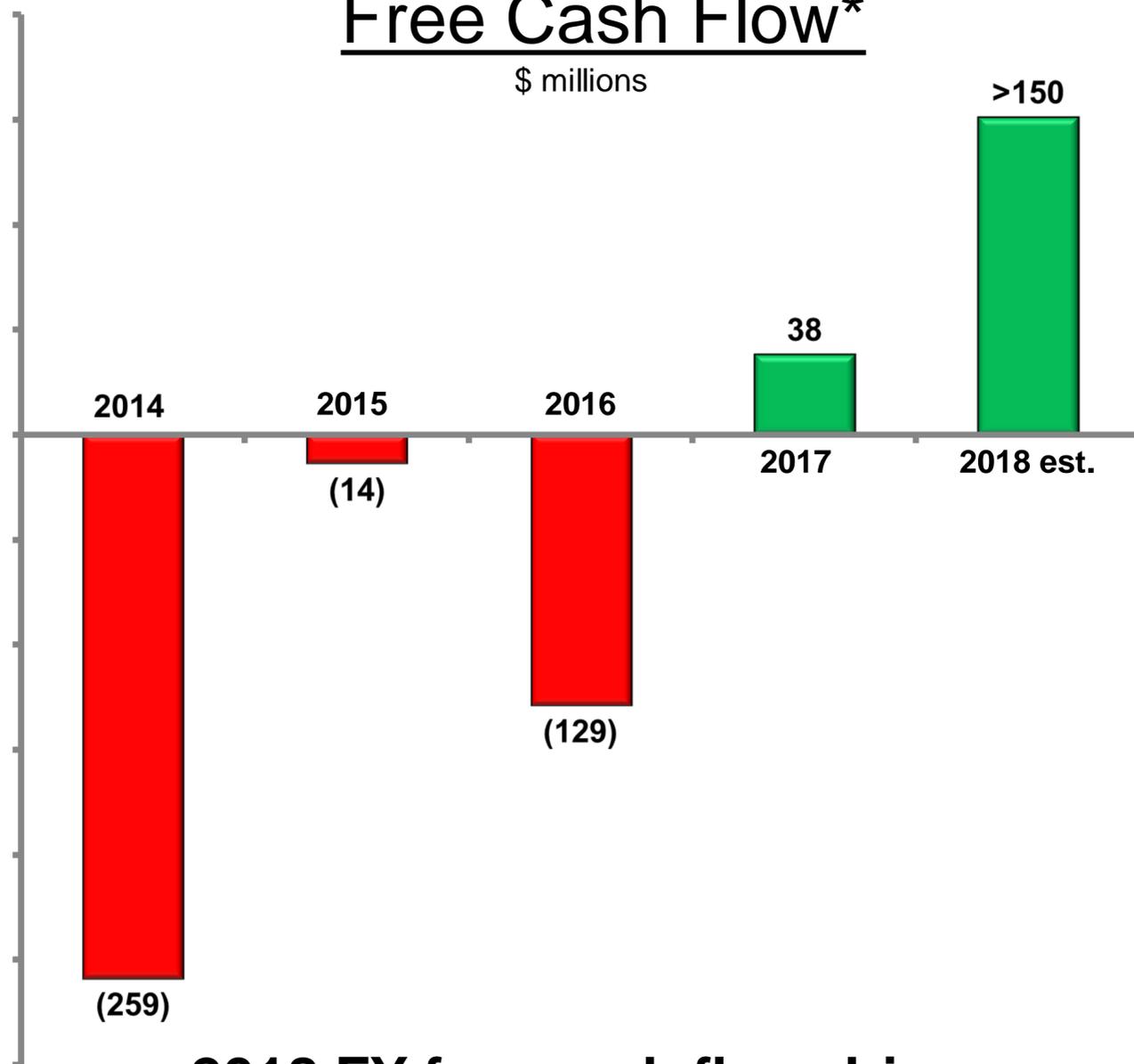
- Active product trials continue to expand; strong end-customer feedback
- Section 232 tariffs & related exclusion process casting uncertainty over marketplace
- Potential carbon steel conversion partners continue to place value on HRPF's unique product capabilities and favorable cost profile

Capital efficient asset utilization gains to drive improved financial results

Financial Update

Free Cash Flow*

\$ millions



2018 FY free cash flow drivers

- Improved earnings
- Lower interest expense
- Capital spending below depreciation & amort.
- Inc. managed working capital to support growth

Balance Sheet and Cash Flow

- Cash and liquidity at 3/31/2018
 - \$110 million cash on hand
 - \$305 million available on ABL
 - \$50 million outstanding borrowings on ABL/revolver
- Q1 2018 capital spending of \$42 million
 - Initial down payments for iso-thermal press and heat treating expansions
 - STAL JV expansion final phase
- Analyzing impact of potential aerospace production rate increases on 2018-2020 capital spending cadence
- Managed working capital increase to support higher business volumes and A&T Stainless JV ramp-up
 - Sequential decline in managed working capital as a % of sales
- Funding of A&T Stainless JV production ramp-up

* excl. ATI Pension Plan contributions

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Summary & Outlook

High Performance Materials & Components Segment

- Q1 2018 financial results exceeded expectations
 - Significant margin expansion led by next-generation jet engine product sales
- Increased confidence in achieving 2018 year-over-year operating margin expansion goal of 200 basis points
 - Operating margin rate of improvement will vary by quarter due to mix of next-generation and legacy jet engine product sales

Flat Rolled Products Segment

- Solid Q1 2018 financial results reflecting strong end-market demand
 - Unfavorable accounting and foreign currency items
- A&T Stainless JV operating; tariff exclusion request filed
- Q2 2018
 - Strong demand environment inline with prior 2 quarters
 - Completion of STAL expansion; continued A&T Stainless JV production ramp despite near-term uncertainty due to pending tariff exclusion request
 - Improvement in raw material surcharges due to ferrochrome and nickel

Cash Flow

- Full-year 2018 free cash flow* in excess of \$150 million
 - Managed working capital improvement in second half of year

* excl. ATI Pension Plan contributions



First Quarter 2018 Conference Call Q&A

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Additional Materials Appendix

Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, management believes that certain non-GAAP financial measures, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. The following table provides the calculation of the non-GAAP financial measures discussed in the Company's press release dated April 24, 2018 or this presentation of financial results.

Net income attributable to ATI, as adjusted:

	Three Months Ended	
	March 31 2018	December 31 2017
Net income attributable to ATI	\$ 58.0	\$ 1.7
Adjust for special items:		
Gain on joint venture deconsolidation, net of tax (a)	(14.7)	-
Debt extinguishment charge, net of tax (b)	-	37.0
Income tax items including valuation allowances (c)	-	(4.1)
Net income attributable to ATI excluding special items	<u>\$ 43.3</u>	<u>\$ 34.6</u>
	Per Diluted Share *	
Net income attributable to ATI	\$ 0.42	\$ 0.01
Adjust for special items:		
Gain on joint venture deconsolidation, net of tax (a)	(0.10)	-
Debt extinguishment charge, net of tax (b)	-	0.29
Income tax items including valuation allowances (c)	-	(0.03)
Net income attributable to ATI excluding special items	<u>\$ 0.32</u>	<u>\$ 0.27</u>

* Presentation of adjusted results per diluted share includes the effects of convertible debt, if dilutive.

(a) First quarter 2018 results include a gain on deconsolidation of A&T Stainless JV following the sale of a 50% noncontrolling interest and subsequent derecognition. The \$15.9 pretax gain, including ATI's retained 50% share, was recorded at fair value.

(b) Fourth quarter 2017 results include a debt extinguishment charge of \$37.0 after-tax, or \$(0.29) per share, for the full redemption of the \$350, 9.375% Senior Notes due 2019.

(c) Fourth quarter 2017 results include \$4.1 of tax benefits, or \$0.03 per share, from the 2017 Tax Cuts and Jobs Act legislation.

Free Cash Flow

	For the Years Ended December 31,			
	2014	2015	2016	2017
Cash provided by (used in) operating activities	55.9	(131.4)	(43.7)	22.4
Cash used in investing activities	(316.2)	(145.1)	(200.0)	(119.6)
Add back: cash contributions to ATI Pension Plan	1.1	0.3	115.0	135.0
Free Cash Flow as defined	<u>\$ (259.2)</u>	<u>\$ (276.2)</u>	<u>\$ (128.7)</u>	<u>\$ 37.8</u>

Free cash flow as defined by ATI includes the total of cash provided by (used in) operating activities and investing activities as presented on the consolidated statements of cash flows, adjusted to exclude cash contributions to the ATI Pension Plan, the Company's U.S. qualified defined benefit pension plan.

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