



Proven to perform **anywhere.**

Fourth Quarter and Full Year 2024 Earnings

February 4, 2025



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, 2023.



Key Takeaways

Performance

**Strong recovery from Q3 outages;
Growth in Jet Engine & Defense**

Q4 Adj. EBITDA¹ of \$210M

- 13% sequential, 31% YoY increase

Adj. EBITDA¹ Margin 17.9% in Q4

- 280 bps improvement YoY

Q4 A&D at 65% of sales

- 22% YoY growth in Jet Engine
- 32% YoY growth in Defense
- 17% YoY growth in Aero-Like markets
- Offset by (5%) YoY decrease in Airframe



Balance Sheet

**Deploying capital for shareholder
returns, efficiently managing capital**

Ended Q4 with \$1.3B of total liquidity
including \$721M cash on hand

- Managed Working Capital¹ was 31% of sales at end of Q4

**Executing \$700M Stock Repurchase
Authorization**

- \$70M of repurchases in Q4
- \$590M remains on authorization
- ~5.3M shares repurchased in 2024



Strategic Progress

**Strategic investments extend
competitive advantages**

- Continued progress made in de-bottlenecking forging operations and expanding testing capacity
- Washington brownfield expansion remains on schedule
 - Qualifications in 2025
- First print from new greenfield expansion in Florida: Additive Manufacturing Operations





A&D outlook strong despite near-term airframe disruptions

Forecasting double-digit Year-over-Year (YoY) growth for most core markets

Market	Q4-24 Revenue (\$M's)	Sequential Change	YoY Change	6-Mo Outlook	3-Yr Outlook	ATI Perspective
Jet Engine	\$428	+17%	+22%	➔	➔	<ul style="list-style-type: none"> Sequential and year-over-year growth resulting from broadening customer diversification, operational and supply chain improvements, and strong aftermarket demand
Airframe	\$191	+6%	(5)%	➔	➔	<ul style="list-style-type: none"> Sequential growth driven by modest recovery in titanium market YoY sales decline driven by lower production rates and disruptions from Boeing work stoppage
Defense	\$148	+38%	+32%	➔	➔	<ul style="list-style-type: none"> Sequential and year-over-year growth led by military aircraft, exotic alloys, and munitions materials
Total A&D	\$767	+17%	+15%			ATI revenue from Aerospace & Defense = 65%
Specialty Energy	\$82	+18%	+36%	➔	➔	<ul style="list-style-type: none"> Sequential growth driven by large project shipment of material used for coal-fire power plant cleanup and increased gas-turbine demand YoY increase led by continued growth in nuclear power generation as well as increased gas-turbine demand
Electronics	\$52	+5%	+15%	➔	➔	<ul style="list-style-type: none"> Sequential and YoY growth driven by growth in hafnium and increased shipments of materials for handheld electronics
Medical	\$51	(4)%	(3)%	➔	➔	<ul style="list-style-type: none"> Lower sequential and YoY sales driven by ongoing inventory rebalancing in medical device supply chain
Core End Markets	\$952	+15%	+ 16%			ATI revenue from Core End Markets = 79%



Fourth Quarter 2024 Financial Results

<i>\$M (excl. EPS)</i>	Q4 2024	Q4 2023	% Chg.	Q3 2024	% Chg.
Revenue	\$1,173	\$1,064	+10%	\$1,051	+12%
<i>HPMC Segment</i>	\$634	\$583	+9%	\$552	+15%
<i>AA&S Segment</i>	\$539	\$482	+12%	\$499	+8%
Segment EBITDA	\$215	\$182	+18%	\$197	+9%
<i>HPMC Segment</i>	\$127	\$125	+1%	\$123	+3%
<i>Adj. EBITDA %</i>	20%	22%	(200) bps	22%	(200) bps
<i>AA&S Segment</i>	\$88	\$57	+54%	\$74	+20%
<i>Adj. EBITDA %</i>	16%	12%	+400 bps	15%	+100 bps
Adj. EBITDA ⁽²⁾ (ex. special items)	\$210	\$161	+31%	\$186	+13%
<i>Adj. EBITDA %</i>	18%	15%	+300 bps	18%	- bps
EPS ⁽¹⁾	\$0.94	\$0.99	(5)%	\$0.57	+65%
Adj. EPS ⁽¹⁾⁽²⁾	\$0.79	\$0.64	+23%	\$0.60	+32%

Note: amounts may not add due to rounding.

(1) Attributable to ATI

(2) See appendix for full reconciliation to the nearest GAAP measures

HPMC Segment

Revenue: Up 9% year-over-year (YoY); up 15% sequentially

- Led by continued growth in Jet Engine and Defense materials and forgings
- Sales growth reflects strong recovery from VIM outage and continued de-bottlenecking progress in forgings

EBITDA: Up 1% YoY; up 3% sequentially

- Reflects increased A&D volume and price gains in isothermal Jet Engine forgings
- Partially offset by charge related to customer commercial negotiations
- Prior year includes \$10M of insurance recovery

AA&S Segment

Revenue: Up 12% YoY; up 8% sequentially

- Sales growth led by increase Defense shipments for both ground armor and naval materials
- Growth was partially offset by weaker Industrial demand

EBITDA: Up 54% YoY; up 20% sequentially

- EBITDA reflects increased A&D volume and favorable overall product mix
- Also impacted by \$10.4M retroactive Advanced Manufacturing Production Credit (AMPC), partially offset by charge related to customer commercial negotiations



Full Year 2024 Financial Results

<i>\$M (excl. EPS)</i>	FY 2024	FY 2023	% Chg.
Revenue	\$4,362	\$4,174	+5%
<i>HPMC Segment</i>	\$2,279	\$2,120	+8%
<i>AA&S Segment</i>	\$2,084	\$2,054	+2%
Segment EBITDA	\$782	\$710	+10%
<i>HPMC Segment</i>	\$461	\$434	+6%
<i>Adj. EBITDA %</i>	20%	21%	(100) bps
<i>AA&S Segment</i>	\$321	\$277	+16 %
<i>Adj. EBITDA %</i>	15%	14%	+100 bps
Adj. EBITDA ⁽²⁾ (ex. special items)	\$729	\$635	+15%
<i>Adj. EBITDA %</i>	17%	15%	+200 bps
EPS ⁽¹⁾	\$2.55	\$2.81	(9)%
Adj. EPS ^{(1) (2)}	\$2.46	\$2.56	(4)%

Note: amounts may not add due to rounding.

(1) Attributable to ATI

(2) See appendix for full reconciliation to the nearest GAAP measures

HPMC Segment

Revenue: 8% year-over-year top-line growth driven by:

- Year over year sales growth from increases in Jet Engine and Defense materials, driven by price gains in nickel and higher volume in titanium and forgings

EBITDA: 6% year-over-year growth driven by:

- Margin drop-through from continued Jet Engine and Defense growth
- Richer overall product mix and strong pricing in nickel, titanium, and forgings

AA&S Segment

Revenue: 2% year-over-year sales growth driven by:

- Year over year growth 9%, excluding metal impacts on pass-through revenue
- Year over year growth in A&D of 11% and “aero-like” growth of 19%
- Partially offset by 13% year over year reduction in industrial market sales

EBITDA: 16% EBITDA growth driven by:

- Increased A&D mix and YoY growth in exotic alloys
- EBITDA also impacted favorably by retroactive AMPC credit in Q4'24

Consolidated ATI

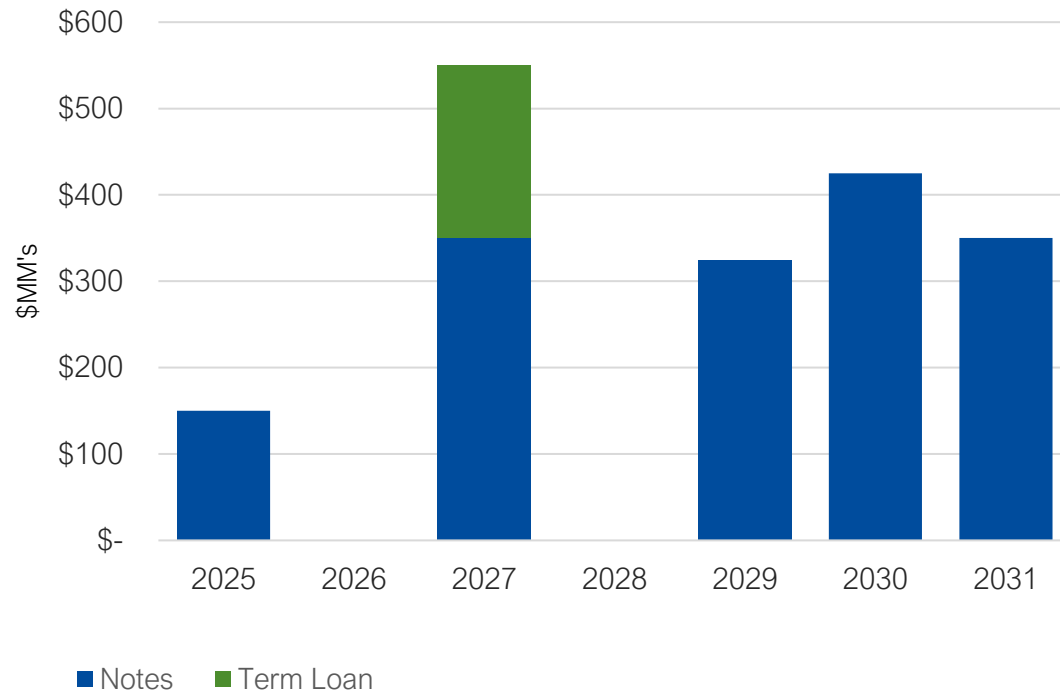
Revenue: 5% year-over-year sales growth driven by:

- Year over year increase of 11% in core markets, partially offset by 14% reduction in industrial market sales
- Year over year grew 9% excluding metal impacts on pass-through revenue
- Adjusted earnings per share declined in 2024, primarily due to higher income tax expense



Cash & Liquidity

Net Debt/Adj. EBITDA⁽¹⁾ Ratio: 1.6x⁽²⁾



(1) Adj. EBITDA based on LTM Q4'24

(2) See appendix for full reconciliation to the nearest GAAP measures

Balance Sheet and Cash Flow

Q4 results

- Liquidity of ~\$1.3B, including \$721M of cash on hand
- Managed working capital⁽²⁾ 30.9% of sales
- Capital expenditures were \$47M in Q4

Capital structure

- Executing multi-year \$700M share repurchase authorization
- Full year share repurchases ~5.3M shares for \$260M
 - Completed \$70M in Q4
 - \$590M remaining on current authorization
- Strong balance sheet and liquidity provide for balanced capital allocation opportunities
 - Fund growth
 - De-lever balance sheet
 - Return capital to shareholders



First Quarter & Full Year 2025 Outlook

First Quarter 2025

Adj. EPS ⁽¹⁾⁽³⁾

\$0.55 – \$0.61

Adj. EBITDA ⁽³⁾

\$170 – \$180 million

Full Year 2025

Adj. EPS ⁽²⁾⁽³⁾

\$2.80 - \$3.00

Adj. EBITDA ⁽³⁾

\$800 – \$840 million

*(Previously \$800 - \$900 million in
2023 Investor Day Targets)*

FCF ⁽³⁾

\$240 – \$360 million

Key Assumptions

Key Drivers

- ✓ Strong demand in A&D, timing of growth in Commercial Aero accelerating in 2H 2025
- ✓ All outage recovery from 3Q '24 remains on schedule and consistent with prior expectations
- Guidance assumes no work stoppages or impacts from changes in global trade policy
- Annual effective tax rate of 21.5 – 22.5%

Additional financial guidance and assumptions provided in Appendix 1

- ✓ Consistent with prior assumptions
- Updated Assumption

(1) Assumes Q1 fully diluted average share count of ~145 million
 (2) Assumes FY 2025 fully diluted average share count of ~145 million
 (3) See appendix for reconciliation of non-GAAP financial measures



Additional Materials Appendix



Appendix 1 – 2025 Outlook Assumptions

<u>Earnings Drivers</u>	
FY 2025 Net Interest Expense	~\$100M
<u>Annual Cash Flow Drivers</u>	
Capital Expenditures	\$260-\$280M
Depreciation & Amortization	~\$168M
Managed Working Capital⁽¹⁾	Cash Usage of in Range of ~\$100M
Full Year Cash Taxes	~\$62M

(1) See Appendix 3 for reconciliation of non-GAAP financial measures



Appendix 2 - Capital Expenditures, Net of Sale Proceeds & Customer Funded Partnerships

\$M	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 Guide</u>
<u>Annual Spend / Proceeds</u>				
Capital Expenditures	\$131	\$201	\$239	\$270 ⁽¹⁾
<u>Less</u>				
Asset Sale Proceeds	(\$3)	(\$4)	(\$28)	
Business Sale Proceeds	(\$0)	(\$0)	(\$48)	
<u>Customer Funded Partnerships</u>	<u>(\$7)</u>	<u>(\$1)</u>	<u>(\$17)</u>	
Net Capital Expenditures	\$121	\$196	\$146	\$270
Avg. Annual Net Cap. Ex. (from 2022)	\$121	\$159	\$154	\$183

(1) Represents midpoint of 2025 Cap. Ex. guidance



Appendix 3

ATI Inc. and Subsidiaries

Non-GAAP Financial Measures

(Unaudited, dollars in millions, except per share amounts)

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. For example, EBITDA and Adjusted EBITDA are measures utilized by management to analyze the performance and results of the business. Further, we believe these measures are useful to investors and industry analysts because these measures are commonly used to analyze companies on the basis of operating performance, leverage and liquidity. EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow for management’s discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and capital expenditures. 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 earnings release on February 4, 2025:

	Fiscal Quarter Ended			Fiscal Year Ended	
	December 29, 2024	September 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Net income attributable to ATI	\$ 137.1	\$ 82.7	\$ 145.7	\$ 367.8	\$ 410.8
Adjust for special items, pre-tax:					
Restructuring and other charges (a)	9.3	4.3	19.8	22.1	35.2
Pension remeasurement loss (b)	14.1	-	26.8	14.1	26.8
Pension settlement loss (c)	-	-	41.7	-	41.7
Loss (gain) on sales of businesses, net (d)	(52.9)	-	-	(52.9)	0.6
Total pre-tax adjustments	(29.5)	4.3	88.3	(16.7)	104.3
Net change in deferred taxes and valuation allowance (e)	-	-	(137.4)	-	(137.4)
Income tax on pre-tax adjustments for special items	7.0	(1.1)	(3.6)	3.9	(4.3)
Net income attributable to ATI excluding special items	\$ 114.6	\$ 85.9	\$ 93.0	\$ 355.0	\$ 373.4



Appendix 3 (continued)

	Fiscal Quarter Ended					
	December 29, 2024		September 29, 2024		December 31, 2023	
	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
Numerator for Basic net income per common share -						
Net income attributable to ATI	\$ 137.1	\$ 114.6	\$ 82.7	\$ 85.9	\$ 145.7	\$ 93.0
Effect of dilutive securities	-	-	1.7	1.7	2.7	2.7
Numerator for Diluted net income per common share -						
Net income attributable to ATI after assumed conversions	\$ 137.1	\$ 114.6	\$ 84.4	\$ 87.6	\$ 148.4	\$ 95.7
Denominator for Basic net income per common share -						
Weighted average shares outstanding	142.0	142.0	128.7	128.7	127.2	127.2
Effect of dilutive securities	3.6	3.6	18.1	18.1	22.2	22.2
Denominator for Diluted net income per common share -						
Adjusted weighted average shares assuming conversions	145.6	145.6	146.8	146.8	149.4	149.4
Diluted net income attributable to ATI per common share	\$ 0.94	\$ 0.79	\$ 0.57	\$ 0.60	\$ 0.99	\$ 0.64

	Fiscal Year Ended			
	December 29, 2024		December 31, 2023	
	Reported	Adjusted	Reported	Adjusted
Numerator for Basic net income per common share -				
Net income attributable to ATI	\$ 367.8	\$ 355.0	\$ 410.8	\$ 373.4
Effect of dilutive securities	5.9	5.9	10.6	10.6
Numerator for Diluted net income per common share -				
Net income attributable to ATI after assumed conversions	\$ 373.7	\$ 360.9	\$ 421.4	\$ 384.0
Denominator for Basic net income per common share -				
Weighted average shares outstanding	130.4	130.4	128.1	128.1
Effect of dilutive securities	16.2	16.2	21.9	21.9
Denominator for Diluted net income per common share -				
Adjusted weighted average shares assuming conversions	146.6	146.6	150.0	150.0
Diluted net income attributable to ATI per common share	\$ 2.55	\$ 2.46	\$ 2.81	\$ 2.56



Appendix 3 (continued)

	Fiscal Quarter Ended			Fiscal Year Ended	
	December 29, 2024	September 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Net income attributable to ATI	\$ 137.1	\$ 82.7	\$ 145.7	\$ 367.8	\$ 410.8
Net income attributable to noncontrolling interests	5.0	3.9	3.5	14.9	12.6
Net income	142.1	86.6	149.2	382.7	423.4
(+) Depreciation and Amortization	39.1	38.5	39.5	151.5	146.1
(+) Interest Expense	25.2	28.0	27.8	108.2	92.8
(+/-) Income Tax Provision (Benefit)	32.9	28.3	(141.1)	103.4	(128.2)
(+) Restructuring and other charges (a)	9.3	4.3	16.8	22.1	31.4
(+) Pension remeasurment loss (b)	14.1	-	26.8	14.1	26.8
(+) Pension settlement loss (c)	-	-	41.7	-	41.7
(+/-) Loss (gain) on sales of businesses, net (d)	(52.9)	-	-	(52.9)	0.6
ATI Adjusted EBITDA	\$ 209.8	\$ 185.7	\$ 160.7	\$ 729.1	\$ 634.6
Corporate expenses	14.1	13.4	15.2	64.0	62.3
Closed operations and other expense (income)	(9.1)	(2.3)	6.5	(10.8)	13.3
Segment EBITDA	\$ 214.8	\$ 196.8	\$ 182.4	\$ 782.3	\$ 710.2
Debt				\$ 1,895.3	
Add: Debt issuance costs				14.2	
Total debt				\$ 1,909.5	
Cash				\$ (721.2)	
Net Debt (Total debt less cash)				\$ 1,188.3	
Net Debt to Adjusted EBITDA				1.6	

(a) Fourth fiscal quarter 2024 includes pre-tax charges totaling \$9.3 million, consisting of \$5.3 of severance-related restructuring costs, primarily for cost reduction actions in our domestic operations, and \$4.0 million of other charges, primarily for start-up and transaction related costs. Third fiscal quarter 2024 includes pre-tax charges totaling \$4.3 million, consisting primarily of \$2.5 million of start-up costs and \$1.7 million of transaction costs. Fourth fiscal quarter 2023 includes pre-tax charges totaling \$19.8 million, consisting of \$11.3 million for asset write-offs associated with the transformation of our European operations, of which \$3.0 million was accelerated depreciation on fixed assets and is included in depreciation and amortization in the above table, \$5.5 million of severance-related restructuring charges primarily for European operations, and \$3.0 million of start up costs. Fiscal year 2024 includes pre-tax charges totaling \$22.1 million, which include \$11.3 million of start-up costs, \$4.6 million of charges for the European transformation, \$4.1 million for severance-related restructuring charges, and \$2.1 million of transaction costs. Fiscal year 2023 includes pre-tax charges totaling \$35.2 million, consisting of \$11.5 million of start up costs, \$7.7 million of severance-related restructuring charges primarily for the transformation of our European operations and reductions across ATI's domestic operations, \$14.1 million for asset write-offs primarily for our European operations and the closure of our Robinson, PA operations, of which \$3.8 million was accelerated depreciation on fixed assets and is included in depreciation and amortization in the above table, and \$1.9 million of costs associated with an unplanned outage at our Lockport, NY facility.

(b) Fourth fiscal quarter 2024 and fiscal year 2024 results include a \$14.1 million loss and fourth fiscal quarter 2023 and fiscal year 2023 results include a \$26.8 million loss for actuarial gains and losses arising from the remeasurement of the Company's pension assets and obligations.

(c) On October 17, 2023, we completed a voluntary cash out for term vested employees and annuity buyouts related to approximately 8,200 U.S. qualified defined benefit pension plan participants. As a result, fourth fiscal quarter 2023 and fiscal year 2023 results include a \$41.7 million pretax settlement loss.

(d) Fourth fiscal quarter 2024 and fiscal year 2024 results include a \$52.9 million gain on the sale of our precision rolled strip operations in New Bedford, MA and Remscheid, Germany. Fiscal year 2023 results include a \$0.6 million loss on the sale of our Northbrook, IL operation.

(e) Fourth fiscal quarter 2023 and fiscal year 2023 results includes a \$140.3 million discrete tax benefit primarily related to the reversal of a portion of deferred tax valuation allowances due to exiting the three-year cumulative loss condition for U.S. Federal and state jurisdictions at year-end 2023, partially offset by a \$2.9 million charge for withholding taxes associated with the transformation of our European operations.



Appendix 3 (continued)

Free Cash Flow

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 Company's U.S. qualified defined benefit pension plans.

	<u>Fiscal Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>December 29, 2024</u>	<u>December 31, 2023</u>	<u>December 29, 2024</u>	<u>December 31, 2023</u>
Cash provided by operating activities	\$ 380.9	\$ 417.2	\$ 407.2	\$ 85.9
Cash provided by (used in) investing activities	18.6	(50.0)	(159.6)	(193.2)
Add back: cash contributions to U.S. qualified defined pension plans	-	-	-	272.0
Free Cash Flow as defined by ATI	<u>\$ 399.5</u>	<u>\$ 367.2</u>	<u>\$ 247.6</u>	<u>\$ 164.7</u>

Managed Working Capital

As part of managing the performance of our business, we focus on Managed Working Capital, which we define as gross accounts receivable, short-term contract assets and gross inventories, less accounts payable and short-term contract liabilities. We exclude the effects of inventory valuation reserves and reserves for uncollectible accounts receivable when computing this non-GAAP performance measure, which is not intended to replace Working Capital or to be used as a measure of liquidity. We assess Managed Working Capital performance as a percentage of the prior three months annualized sales to evaluate the asset intensity of our business. The December 29, 2024 and September 29, 2024 amounts include management working capital balances that are classified as held for sale.

	<u>December 29, 2024</u>	<u>September 29, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	\$ 709.2	\$ 730.2	\$ 625.0
Short-term contract assets	75.6	90.5	59.1
Inventory	1,353.0	1,414.5	1,247.5
Accounts payable	(609.1)	(528.5)	(524.8)
Short-term contract liabilities	<u>(169.4)</u>	<u>(146.5)</u>	<u>(163.6)</u>
Subtotal	1,359.3	1,560.2	1,243.2
Allowance for doubtful accounts	15.0	2.6	3.2
Inventory reserves	68.5	71.7	75.5
Net managed working capital held for sale	8.5	47.3	-
Managed working capital	<u>\$ 1,451.3</u>	<u>\$ 1,681.8</u>	<u>\$ 1,321.9</u>
Annualized prior 3 months sales	4,690.5	4,205.1	4,255.8
Managed working capital as a % of annualized sales	<u>30.9%</u>	<u>40.0%</u>	<u>31.1%</u>