



Proven to perform
anywhere.

Second Quarter 2025 Earnings

July 31, 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, 2024.



Jet engine powers momentum in strong Q2-25

Q2-25 Sales

\$1.14B

+4% YOY

Q2-25 Adj. EBITDA¹

\$208M

+14% YOY

Q2-25 Adj. EBITDA¹ margin

18.2%

+150 bps YOY

Q2-25 Adj. EPS¹

\$0.74

Compared to \$0.60 Q2-24

✓ Strong Financial Delivery

- **Adjusted Free Cash Flow¹: \$93M** (+94% YoY); disciplined working capital execution

✓ Aerospace & Defense: Accelerating Growth

- A&D: **67%** of total sales; \$762M in Q2
- Led by **Commercial Jet Engines**: +27% YoY growth in Q2; +31% YTD. '25 growth to exceed 20%
- Leading **aero-structure supplier**: Long-term titanium agreements with Boeing and Airbus
- Defense: on-track for **third consecutive year of double-digit growth**

✓ Segment Performance and Profit Drivers

- HPMC margin: 23.7% in Q2 (up 350 bps YoY) on forging strength in engines
- AA&S margins: 14.4%; sequential dip due to defense, airframe and energy timing
- Margin gains fueled by positive mix and pricing along with consistent strong performance

✓ Disciplined Fiscal Strategy

- Capex held at \$260M–\$280M; focused on efficiency and customer-driven investment
- \$250M in Q2 share repurchases; \$800M+ since 2022 at average price of ~\$48 per share
- Liquidity enhanced by amended credit facility (extended to 2030, +\$100M capacity)



A&D Driving Growth

Jet Engine growth continues to drive ATI forward

Market	Q2-25 Revenue (\$M's)	Sequential Change	YoY Change	6-Mo Outlook	3-Yr Outlook	ATI Perspective
Jet Engine	\$448	+6%	+27%	➡	➡	<ul style="list-style-type: none">Year-over-year growth driven by growth in production and aftermarket, consistent operational performance and diversified customer base
Airframe	\$195	(5)%	(7)%	➡	➡	<ul style="list-style-type: none">YoY and sequential decline reflects continued near-term destocking activity by both major airframers
Defense	\$119	(7)%	(1)%	➡	➡	<ul style="list-style-type: none">YoY sales lower due to reduced titanium armor sales, partially offset by higher shipments of naval nuclear and hypersonic materialsSequentially lower sales driven by delivery timing for naval nuclear and titanium armor
Total A&D	\$762	+1%	+11%	Q2 revenue from Aerospace & Defense = 67%		



Second Quarter 2025 Financial Results

\$M (excl. EPS)	Q2 2025	Q2 2024	% Chg.	Q1 2025	% Chg.
Revenue	\$1,140	\$1,095	+4%	\$1,144	-%
<i>HPMC Segment</i>	\$609	\$562	+8%	\$584	+4%
<i>AA&S Segment</i>	\$532	\$533	-%	\$560	(5)%
Adj. EBITDA ⁽²⁾ (ex. special items)	\$208	\$183	+14%	\$195	+7%
<i>Adj. EBITDA %</i>	18%	17%	+150 bps	17%	+120 bps
<i>HPMC Segment</i>	\$144	\$114	+27%	\$131	+10%
<i>Adj. EBITDA %</i>	24%	20%	+350 bps	22%	+130 bps
<i>AA&S Segment</i>	\$77	\$88	(12)%	\$83	(8)%
<i>Adj. EBITDA %</i>	14%	16%	(200) Bps	15%	(50) bps
EPS ⁽¹⁾	\$0.70	\$0.58	+21%	\$0.67	+4%
Adj. EPS ⁽¹⁾⁽²⁾	\$0.74	\$0.60	+23%	\$0.72	+3%

HPMC Segment

Revenue: Up 8% year-over-year (YoY); up 4% sequentially

- Jet Engine sales up 27% YoY, driven by strong demand and ongoing de-bottlenecking and capacity expansion

EBITDA: Up 27% YoY; up 10% sequentially

- Strong Jet Engine growth in materials and forgings drove higher volume and favorable price and mix sequentially and YoY

AA&S Segment

Revenue: Flat YoY; down (5)% sequentially

- YoY sales of conventional and nuclear energy materials were higher, offsetting lower Defense and Industrials sales

EBITDA: Down (12)% YoY; down (8)% sequentially

- YoY and sequential EBITDA down primarily due to lower shipments of titanium Airframe and Armor materials, driven by ongoing destocking of Airframe materials and the timing of deliveries in Armor plate

Note: amounts may not add due to rounding.

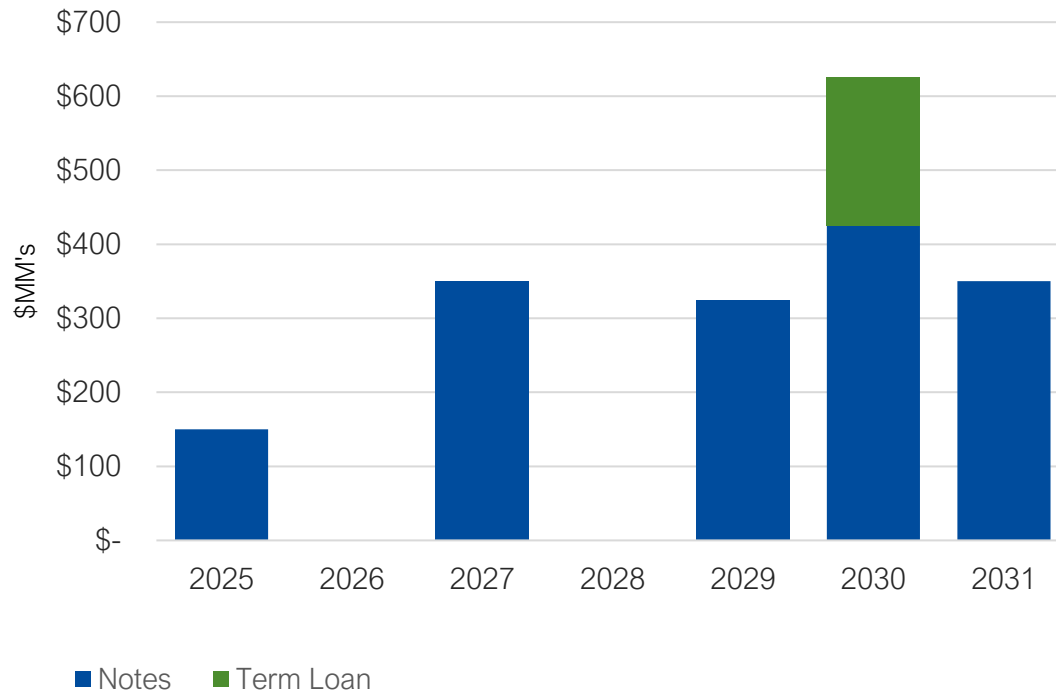
(1) Attributable to ATI

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



Cash & Liquidity

Net Debt/Adj. EBITDA⁽¹⁾ Ratio: 2.0x⁽²⁾



(1) Adj. EBITDA based on LTM Q2'25

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

Balance Sheet and Cash Flow

Q2 results

- Liquidity of ~\$990M, including \$320M of cash on hand
- Managed working capital⁽²⁾ 36.5% of sales
- Gross Capital expenditures were \$72M in Q2 and \$125M YTD

Capital structure

- Repurchased ~3.2M shares for \$250M in Q2
 - \$270M remaining on current authorization
 - Repurchased ~4.4M shares for \$320M year to date
- Extended committed revolving credit facility and term loan maturity to 2030
 - Added option for \$100M incremental term loan through June 2026
- Nearest term debt maturity \$150M at end of 2025



Third Quarter & Full Year 2025 Outlook

Third Quarter 2025

Adj. EPS ⁽¹⁾⁽²⁾

\$0.69 – \$0.75

Adj. EBITDA ⁽²⁾

\$200 – \$210 million

Full Year 2025

Adj. EPS ⁽¹⁾⁽²⁾

\$2.90 – \$3.07

Adj. EBITDA ⁽²⁾

\$810 – \$840 million

FCF ⁽²⁾

\$270 – \$350 million

Key Assumptions

Key Drivers

- ✓ Strong demand in Jet Engine and Defense
- Airframe recovery shifting to 2026 driven by customer inventory destocking
- Guidance based on assumed tariff impacts announced through July 1, 2025, and does not include additional changes or impacts beyond those impacts

Additional financial guidance and assumptions provided in Appendix 1

- ✓ Consistent with prior assumptions
- Updated Assumption

(1) See appendix for average share counts

(2) 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
Q3 Estimated Average Share Count	~141M
FY 2025 Estimated Average Share Count	~142M
<u>Annual Cash Flow Drivers</u>	
Capital Expenditures	\$260M - \$280M
Depreciation & Amortization	~\$168M
Managed Working Capital⁽¹⁾	Cash usage in range of ~\$100M
Annual Effective Tax Rate	21 - 22%
Full Year Cash Taxes	~\$45M

(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)	(\$0)
Business Sale Proceeds	(\$0)	(\$0)	(\$48)	(\$2)
<u>Customer Funded Partnerships</u>	<u>(\$7)</u>	<u>(\$1)</u>	<u>(\$17)</u>	<u>(\$8)⁽²⁾</u>
Net Capital Expenditures	\$121	\$196	\$146	\$260
Avg. Annual Net Cap. Ex. (from 2022)	\$121	\$159	\$154	\$181

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

(2) ~\$8M of Customer Funded Partnerships were expended in the first half of 2025



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”). This report includes financial performance measures that are not defined by GAAP, including Adjusted net income attributable to ATI, Adjusted EPS, Adjusted EBITDA, Segment EBITDA, Adjusted free cash flow and Managed working capital. The Company uses these non-GAAP financial measures to assist in assessing operating performance on a consistent basis across multiple reporting periods by removing the impact of special items, which can vary from period to period, that management does not believe are directly reflective of the Company’s core operations. The Company defines special items as significant non-recurring or non-operational charges or credits, restructuring and other charges/credits, gains or losses from the sale of accounts receivable, strike related costs, goodwill and long-lived asset impairments, debt extinguishment charges, pension remeasurement gains and losses, other postretirement/pension curtailment and settlement gains and losses, and gains or losses on sales of businesses.

Adjusted net income attributable to ATI and related Adjusted EPS are calculated by adjusting net income attributable to ATI for the tax-effected impact of special items. We define Adjusted EBITDA as net income, excluding net interest expense, income taxes, depreciation and amortization, and special items. Our measure of segment EBITDA, which we use to analyze the performance and results of our business segments, excludes net interest expense, income taxes, depreciation and amortization, special charges, corporate expenses, closed operations and other income (expense). Our methods of calculating Adjusted free cash flow and Managed working capital are discussed in greater detail below under the headings “Adjusted Free Cash Flow” and “Managed Working Capital,” respectively.

Management believes presenting these non-GAAP financial measures is useful to investors because it (1) provides investors with meaningful supplemental information regarding financial and operating performance by excluding certain items management believes do not directly impact the Company’s core operations, (2) permits investors to view performance using the same metrics that management uses to forecast, evaluate performance, and make operating and strategic decisions, and (3) provides additional information useful to investors on a period-to-period consistent basis that are commonly used to analyze companies’ operating performance. Management believes that consideration of these non-GAAP financial measures, together with our GAAP financial measures and the corresponding reconciliations, provides investors with additional understanding of the Company’s performance and trends that would be absent such disclosures.

Non-GAAP financial measures should be viewed in addition to, and not superior to or as an alternative for, the Company’s reported results prepared in accordance with GAAP. The following tables provide the calculation of the non-GAAP financial measures discussed in the Company’s earnings release on July 31, 2025:

	Fiscal Quarter Ended					
	June 29, 2025		March 30, 2025		June 30, 2024	
		EPS		EPS		EPS
Net income attributable to ATI	\$ 100.7	\$ 0.70	\$ 97.0	\$ 0.67	\$ 81.9	\$ 0.58
Adjustments for special items, pre-tax:						
Restructuring and other charges (a)	7.4		5.6		5.4	
Loss on sales of businesses (c)	-		3.7		-	
Total pre-tax adjustments for special items	7.4	0.05	9.3	0.06	5.4	0.03
Income tax on adjustments for special items	(1.7)	(0.01)	(1.9)	(0.01)	(1.3)	(0.01)
Adjusted Net income attributable to ATI	\$ 106.4	\$ 0.74	\$ 104.4	\$ 0.72	\$ 86.0	\$ 0.60



Appendix 3 (continued)

	Fiscal Quarter Ended			Trailing 12-month period ended
	June 29, 2025	March 30, 2025	June 30, 2024	June 29, 2025
Net income attributable to ATI	\$ 100.7	\$ 97.0	\$ 81.9	\$ 417.5
Net income attributable to noncontrolling interests	3.3	3.5	3.7	15.7
Net income	104.0	100.5	85.6	433.2
(+) Depreciation and Amortization	41.6	40.8	37.9	160.0
(+) Interest Expense	25.4	23.0	28.4	101.6
(+) Income Tax Provision	29.3	21.0	25.3	111.5
EBITDA	200.3	185.3	177.2	806.3
Adjustments for special items, pre-tax:				
(+) Restructuring and other charges (a)	7.4	5.6	5.4	26.6
(+) Pension remeasurment loss (b)	-	-	-	14.1
(+/-) Loss (gain) on sales of businesses, net (c)	-	3.7	-	(49.2)
Adjusted EBITDA	207.7	194.6	182.6	797.8
Debt				\$ 1,890.0
Add: Debt issuance costs				12.9
Total debt				\$ 1,902.9
Cash				\$ (319.6)
Net Debt (Total debt less cash)				\$ 1,583.3
Net Debt to Adjusted EBITDA				2.0

(a) Second fiscal quarter 2025 includes pre-tax charges totaling \$7.4 million, which include \$7.1 million for start up and transaction related costs and \$1.6 million of losses for the sale of customer accounts receivable. These pre-tax charges were partially offset by credits of \$1.3 million due to a reduction in severance-related reserves for a previous restructuring in our AA&S segment. First fiscal quarter 2025 includes pre-tax charges totaling \$5.6 million, which include \$4.0 million for start up and transaction related costs and \$1.6 million of losses for the sale of customer accounts receivable. Second fiscal quarter 2024 includes pre-tax charges totaling \$5.4 million, which include \$5.5 million of inventory write-downs related to our European restructuring and \$1.8 million of start-up costs. These pre-tax charges were partially offset by credits of \$1.9 million primarily due to a reduction in severance-related reserves for our ongoing European restructuring. Trailing 12-month period ended June 29, 2025 results include pre-tax charges totaling \$26.6 million, which include \$18.9 million primarily for start up and transaction related costs, \$4.5 million of severance-related restructuring costs and \$3.2 million of losses for the sale of customer accounts receivable.

(b) The trailing 12-month period ended June 29, 2025 results include a \$14.1 million loss for actuarial gains and losses arising from the remeasurement of the Company's pension assets and obligations.

(c) First fiscal quarter 2025 results include a \$3.7 million loss on the sale of certain non-core European operations from the HPMC segment. The trailing 12-month period ended June 29, 2025 results also include a \$52.9 million gain on the sale of our precision rolled strip operations in New Bedford, MA and Remscheid, Germany.



Appendix 3 (continued)

Adjusted Free Cash Flow

Management utilizes a non-GAAP measure, Adjusted free cash flow, to assess the cash flow generation of the Company's operations. Adjusted free cash flow is defined as the total 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 plan.

Management utilizes this measure to assess the cash flow generation performance of its business as it excludes cash contributions to the Company's U.S. qualified benefit pension plan that are periodic rather than recurring. The impact of cash generated from the sale of assets and non-core businesses is included in the measure as the proceeds of such transactions are contemplated by Management in setting capital budgets to fund capital expenditures. Management believes this measure provides investors with additional meaningful insights as to the Company's ability to generate cash in excess of operational and investing needs. Adjusted free cash flow is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest, tax, or other contractually required payments. Further, adjusted free cash flow should be viewed in addition to, and not superior to or as an alternative for, the Company's reported results prepared in accordance with GAAP.

	Fiscal Quarter Ended		Fiscal Year-To-Date Period Ended		Fiscal Year Ended
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024	December 29, 2024
Cash provided by operating activities	\$ 161.5	\$ 101.1	\$ 69.0	\$ 2.3	\$ 407.2
Cash used in investing activities	(68.6)	(53.3)	(119.2)	(117.1)	(159.6)
Add back: cash contributions to U.S. qualified defined pension plans	-	-	-	-	-
Adjusted Free Cash Flow	<u>\$ 92.9</u>	<u>\$ 47.8</u>	<u>\$ (50.2)</u>	<u>\$ (114.8)</u>	<u>\$ 247.6</u>

Managed Working Capital

As part of managing the performance of our business, we focus on Managed working capital, a non-GAAP financial measure that we define as gross accounts receivable, short-term contract assets and gross inventories, excluding the effects of reserves for uncollectible accounts receivable and inventory valuation reserves, less accounts payable and short-term contract liabilities. We assess Managed working capital performance as a percentage of the prior three months annualized sales. Managed working capital is not intended to replace working capital or other GAAP financial measures or to be used as a measure of liquidity.

Management believes this non-GAAP financial measure focuses on the assets and liabilities most closely attributable to our core operations, allowing Management to quantify and evaluate the asset intensity of our business. Further, Management believes this non-GAAP financial measure provides investors with additional insights into the Company's effectiveness in balancing the need to maintain appropriate asset levels to support sales growth and operations while deploying our cash effectively.

	June 29, 2025	March 30, 2025	June 30, 2024
Accounts receivable	\$ 787.9	\$ 827.0	\$ 719.8
Short-term contract assets	86.4	85.9	87.6
Inventory	1,412.6	1,396.9	1,317.5
Accounts payable	(532.3)	(563.2)	(524.5)
Short-term contract liabilities	(171.7)	(187.1)	(160.9)
Subtotal	<u>1,582.9</u>	<u>1,559.5</u>	<u>1,439.5</u>
Allowance for doubtful accounts	3.4	11.6	2.7
Inventory reserves	80.3	74.2	71.6
Net managed working capital held for sale	-	-	39.8
Managed working capital	<u>\$ 1,666.6</u>	<u>\$ 1,645.3</u>	<u>\$ 1,553.6</u>
Annualized prior 3 months sales	4,561.4	4,577.7	4,381.1
Managed working capital as a % of annualized sales	<u>36.5%</u>	<u>35.9%</u>	<u>35.5%</u>