ATI 2026 Investor Day
November 12, 2026 12:15 PM - 3:30 PM ET

Rob Rengel (00:00:00):

Good afternoon, everybody, and welcome to ATI's 2026 Investor Day. I'm Rob Rengel, Vice President of Investor Relations. Our goal for today, simple, show you who ATI is, how we've transformed the company, and most importantly, how we expect to accelerate profitable growth going forward. Couple quick reminders before we get started. We completed our safety briefing in the room. For any of those of you online, please be aware of your local safety protocols. Can I can get the... The supplemental presentation that accompanies our event today provides additional color and details on our results, capabilities, and outlook. They're also on our website. As a reminder, all forward-looking statements are subject to certain risks and caveats. These are noted in our most recent 10-Q and filed with the SEC. ATI does not authorize recording, transcription, reproduction, alteration, or generative AI analysis or manipulation of our content or materials without our prior express written consent.

(00:03:56):

Now onto our agenda. Our CEO, Kim Fields, will start off. She'll kick us off with who we are today, and she'll talk about the transformation that we've undergone and completed. That will be followed by acceleration, our next phase of profitable growth. She'll also include comments on our new targets that we're announcing today. Marty Pike, our chief commercial officer, will then tell you about our growth drivers, our core markets, and our commercial strategy. Then our CFO, Rob Foster, will translate those opportunities into our financial framework. He'll close with detail on our new targets. At the end of the day, we'll have a live Q&A session. We'll take questions from the audience in the room, and we also allow you to submit questions online. Just click on the link in your browser. Now, let's set the stage for our board chair, president, and CEO, Kim Fields.

Speaker 5 (00:05:02):

Ignition. Liftoff.

Speaker 6 (00:05:07):

The mission begins long before liftoff. It starts with the materials. Designed for the unforgiving, engineered for the extreme. Built to take the heat, withstand the force, carry the load, deliver the power. At ATI, we push material science further. We engineer the chemistry, shape strength with precision, and turn advanced materials into extraordinary performance.

Speaker 6 (00:05:52):

Decades of expertise, unmatched capabilities, an unwavering drive to push what's possible, delivering for missions that matter the most, again and again and again. Advancing, delivering, exceeding, so, the next generation can fly farther, reach higher, power more, and protect what matters most.

(00:06:32):

ATI, proven to perform.

Kim Fields (00:06:41):

Welcome to ATI's Investor Day. As you saw in the video, our customers are pushing beyond the boundaries of what's possible, and ATI is proud to be their partner at providing the materials and solutions that help their products perform in the most demanding conditions.

(00:06:59):

As many of you here today saw firsthand during the tours of the Baker's campus, our specialized processes and advanced technologies come together to form materials that operate in these challenging environments. Today, I'm going to share with you how we've transformed our operating model and transformed our company to create a strong foundation for growth, and now using our differentiated capabilities, we are accelerating our growth.

(00:07:31):

I'm Kim Fields, ATI's board chair, president, and CEO. I'm an engineer by training. I've spent my career in operations. Since joining ATI, I've had the pleasure of leading both business segments, serving as the CEO, and now leading the company ... I'm sorry. Serving as the COO and now leading the company as the CEO.

(00:07:57):

And that's given me a firsthand look behind the scenes at the people and capabilities behind ATI's financial results. I know there's a lot of new folks that are joining us here today. And so, let me share with you some examples of ATI at work.

(00:08:17):

Heat, pressure, speed, thrust, and corrosion. These are the demanding conditions that our customers are designing for, and this is where ATI's materials and processes make a difference. We developed advanced alloys and transformed them through processes such as isothermal forging, heat treating, and machining into critical components. Like you see in this picture, the CH-53K hub or the Black Hawk hub, we are taking those materials and putting them into the most demanding situations.

(00:08:58):

Every time each one of you fly, you are experiencing ATI's products at work. Many of you flew here to join us today, you're on that plane, you hear the engines spool up, you feel the thrust of those engines as you're going down the runway, pushing you back into your seat. That's ATI's discs in the hot section of the engine rotating at 10,000 RPMs, operating in temperatures at 1200 degrees Fahrenheit and higher. Those engines lift that plane up off the ground, flight after flight, thousands of times between shop visits, performing every time exactly as it was designed to do.

(00:09:44):

And when that plane comes back to the airport and lands and the landing gear hits the ground, it's taking the force of that impact, carrying the weight of that plane time after time, all the while keeping the structure as light as possible to make the fuel efficiency improve. That's ATI's premium quality titanium that makes that landing possible.

(00:10:14):

Turning to another market that requires performance in demanding environments is our defense business. In defense, naval propulsion is our largest market, but we support all aspects of the defense market in the air, on land, and at sea. We've got applications in military aircraft, naval propulsion, missile systems, and ground vehicles. And across all these markets, ATI's materials are used when strength at high temperatures is critical.

(00:10:50):

And we cover a full range of temperatures. I think many of you ... I heard on the tour that my team shared with you, you start with titanium in these ranges and up to a thousand degrees, you'll see those titanium materials performing extraordinary feats. And as you move above a thousand degrees, you get into those advanced nickel superalloys. Then you get above 1800 degrees Fahrenheit and those are the most extreme environments. That's where our niobium alloys that contain halfnium operate and perform. These are used in things like missiles, exhaust, nozzle applications are great examples.

(00:11:31):

Our materials help our customers go higher, go faster and hotter with strength and performance when their emissions demand it. I just mentioned halfnium. It's also used in a multitude of applications. It's used as an alloy addition, but it's also an important material in our specialty energy markets. Zirconium and halfnium occur together in nature naturally, which makes separating and purifying them very complex. ATI specialized process expertise to turn them into high-purity materials and very different applications.

(00:12:13):

Nuclear power is a great example of this expertise. Zirconium is used in fuel systems such as cladding, because it absorbs very few neutrons, allowing more of those neutrons to sustain that nuclear reaction. Halfnium, on the other hand, does almost the opposite, because it absorbs neutrons, so, it's used in control applications. One helps sustain reactions, the other helps control it. ATI makes both of those.

(00:12:48):

Gas turbines is another great example of looking at the interconnectedness of our businesses and the broad portfolio of products that we provide. In the hot section, the discs operate very similarly to a jet engine hot section disc and uses our nickel superalloys. Our forging business produces components for the fan that draws in air and are used to power the generator.

(00:13:17):

Our nickel sheet products are used in the turbine housing and halfnium is used in the alloy used to cast the blades. Now I just mentioned castings, so, there's one important distinction that I'd like to make. ATI does not make castings. We make the material that goes into them. Across all these markets, very few companies can produce these demanding materials consistently, reliably, and at scale. That's where ATI excels.

(00:13:50):

But to understand how ATI built this portfolio, let's go back to 2021. At the height of the pandemic, ATI was a $2.8 billion company. 41% of our revenues came from aerospace and defense, and our portfolio was broad. It included a lot of products and commodity products and other markets. We were trying to be all things to all people. By using AD20, we set a clear goal to focus ATI on the differentiated products and markets where we create the most value for our customers and attractive returns for our shareholders.

(00:14:35):

We first applied this discipline to the portfolio and exited commoditized products, like, our standard steel sheet products. That freed up resources that we were then able to redeploy and focus on growing products that had the highest value in the aerospace and defense markets. And that's where our technical capabilities and reliable supply are valued the highest.

(00:15:02):

Today, aerospace and defense is 70% of our revenue, up one and a half times from 2021. We deliberately shifted where we compete and how we use our assets. We also made structural improvements to the business. We took costs out, we streamlined our manufacturing footprint, we reduced layers in our organization, and improved our operating model. We applied a 30% internal hurdle rate and invested in finishing capabilities to allow us to continue to grow in those specialized advanced materials for aerospace and defense.

(00:15:45):

We also invested in relationships with customers, improving service, deepening our relationships, winning long-term agreements, and growing our position on key programs. Today, ATI participates across every major airframe and engine program. I'll say that again, "We participate on every airframe and engine program." And as air travel recovered, ATI was better positioned to benefit from that growth and the results are clear.

(00:16:26):

Over the past five years, our EBITDA has grown over 300% and margins have expanded by more than a thousand basis points. Total shareholder return has exceeded a thousand percent since 2021, more than twice our A&D peer benchmarks, and we delivered. ATI is leaner, more focused, a more differentiated company, a leading aerospace and defense supplier. We have built a strong foundation for growth and attractive returns, and now it's time for act two, acceleration.

(00:17:10):

Today, we're announcing two new investments in differentiated core products. Combined with our previous announcements, this creates a path to nearly $1 billion of incremental annual revenue by the end of this decade. Rob's going to share more details when he presents the financial frameworks, but let's talk about the projects first.

(00:17:34):

The first investment will double our nickel powder production capacity at the Baker's facility. All of you saw those tremendous capabilities. That's where these investments are going. You probably saw some of the work going on while you were there. We expect this expansion to be ramping in late 2028. This is an important process for those sole sourced jet engine materials that I've been talking about. Those alloys don't want to stay together in conventional melt processes, so, the powder process allows us to combine them to form materials that have extraordinary strength and structural integrity at extreme temperatures. These materials are one of the reasons that next-gen engines can operate hotter and more efficiently.

(00:18:28):

The second investment is an increase in our zirconium sponge production by 20%. Additional capacity will begin to ramp in early 2028, and ATI's ability to separate and purify zirconium gives us a distinctive position in a growing nuclear supply chain, positioning us for growth and demand in both defense as well as specialty energy. Both of these projects build on our facilities and our experience that we already have today, and both are supported by strong customer demand and significant commitments. These

investments expand capacity and products customers need, building on capabilities where ATI has a strong position. As the capacity ramps, it supports our growth and strong earnings going forward.

(00:19:26):

These investments are important examples of how we are accelerating growth and how we are focusing on those core differentiated capabilities and markets. Our strategy to accelerate is really built on three pillars. First, extend our differentiated lead and then invest in those attractive growing markets, and third, turn that growth into stronger financial performance.

(00:19:57):

This strategy guides what we prioritize, where we invest, and how we create value. These pillars reinforce one another. That capability is why customers choose ATI, and the markets we choose need those differentiated capabilities to be able to perform in those demanding conditions. With elevation, along with our disciplined investment, this helps turn that demand into earnings. I'll focus first on the capabilities behind our first pillar, and then I'll show you how they guide our growth and the investment choices.

(00:20:41):

So, why differentiated capabilities? You've heard me talk about that a lot. In demanding environments, the cost of failure is high. So, delivering defect-free products every time is critical and required. The more demanding the application, the more our capabilities matter and the higher value to our customers that our expertise brings.

(00:21:06):

There are four capabilities that are central to that advantage. The first, advanced nickel superalloys. The second, premium quality titanium. The third, halfnium and zirconium, and the fourth, isothermal forgings. These are more than just product categories or processes. They bring together specialized assets, technical knowledge, and customer qualifications. Few suppliers can match that combination, and even fewer can deliver it consistently at scale based on customers' needs. The strength of that foundation gives us an advantage today in growth for decades. You can think of it as compounding returns on the investment that's been made over many, many years.

(00:22:02):

So, let's look at what those capabilities mean in practice. Our hot section nickel alloy position is a powerful example of what ATI can do. There are seven alloys that are used in the hot section by all of the engine OEMs. Just seven. Of those seven, ATI is a sole source supplier of five of them, and we just recently moved the sixth alloy from qualification and are ramping production.

(00:22:34):

This new alloy expands our competitive moat, providing decades of growth as that engine platform continues to perform and continues to go into aftermarket. Producing takes more than following a recipe. I hope all of you saw that during your tours today and your time with my team. It requires decades of metallurgical expertise, specialized equipment like you saw, and precision at every step. Our focus is on controlling the chemistry, the cleanliness, and the internal grain structure to provide the high-quality material that performs in these demanding applications.

(00:23:20):

Our advantage is not simply knowing how to make it, but it's producing it consistently at scale to those exacting specifications every single time. And we're expanding our capabilities of this key differentiator based on the announcement I just shared with you today.

(00:23:42):

Let's hear a little bit and learn more about this from our team about that nickel powder project at Baker's.

Brian Drummond (00:23:47):

At ATI Specialty Materials, we melt, forge, and finish some of the world's most difficult to produce alloys in nickel, titanium, and specialty steels. These products are used for the most demanding applications in the aerospace and defense business. And currently there are two projects underway, Project One, which is the Baker's South Melt Facility, which is a nickel melt facility, the VIM and remelt assets, as well as Baker's Powder II, which is doubling our capacity here on the Baker site to create the world's most advanced powders.

Jordan Larson (00:24:27):

It's a brand-new superalloy facility that's modernized and capable of meeting the industry needs for expansion and capacity.

Nicole Sturgeon (00:24:35):

Customer demand for powder is at an all-time high. By atomizing and making sure that we don't have defects, we're able to give them a high quality product that they can trust in their internal jet engine components. So, this goes to rotating part applications and the most heat-intensive and fatigue-intensive portion of the jet engine.

(00:24:57):

We're doubling capacity at the Baker's campus as far as atomizer powder processing and our HIP capacity.

Mathieu Pelletier (00:25:03):

What you have behind me is the new Baker's melt operations. We are building this to meet the market demand and the expanding growth that we have in the industry. We are putting new melt and remelt assets, and then we are going to get the new remelt assets actually on service already by the end of this year. We started or broke ground in December 2025, so, it's quite good.

(00:25:26):

We are doing on the other side here the new melt asset, which is finalizing construction, getting ready for installation of the main equipment by the end of the year, and then giving our operation a well-needed additional capacity for them to keep meeting market demand.

Kim Fields (00:25:41):

And as you saw during your tour today, we are in production. They are actually melting their first production orders this week. I was very excited to hear that. Hopefully, the team had an opportunity to share that with you while you were there.

(00:26:01):

This expansion allows us to meet our customers' unprecedented growth in these markets. As next-generation engines operated at higher pressures and temperatures, this material becomes even more valuable. Our process knowledge and our customer qualifications support the share positions we have, and this took decades to build.

(00:26:26):

But let's talk about another important engine material, our premium quality titanium. You also had an opportunity to see this at our Baker's campus on your tour, and hopefully you appreciated the tight control that we have on the process to make sure that there are no impurities or defects, and that that material is consistent every single time.

(00:26:50):

We accomplished this with our advanced titanium melting and remelting processes that help us achieve the quality that customers require, and we are one of only two qualified domestic producers of this material. In each of these material systems, qualification and process consistency go hand in hand. Customers need confidence that material will meet their requirements every time at production scale. That kind of record is built up over time and it is not easy to replicate.

(00:27:26):

This investment that we announced earlier will be supporting this increasing demand. Today, we are in standard quality production and making products, and as I've shared on some of the earnings calls, we are in the process of qualifying our premium quality product, which will continue into next year.

(00:27:46):

So, let's talk about zirconium for a minute. This was the second investment that I mentioned earlier. Halfnium and zirconium is our third differentiated capability. Because the two metals occur together in nature, they have very similar chemistries, which makes separating and purifying them complex. ATI's specialized process expertise allows us to produce high-purity materials for nuclear, defense, and advanced aerospace applications. ATI is one of three qualified Western producers and the only producer that's independent.

(00:28:27):

This is the second announcement I announced. This is the second investment I announced earlier today to support the growing demand in these spaces. So, let's take a minute now to hear more about what this means for ATI and for our customers.

Trevor Giroux (00:28:48):

The Zirconium Phase One expansion is the most important investment at SA&C since the start of our business. It is the ability for us to convert our chemical products into usable nuclear-grade materials at a rate that is increasing our capacity by north of 20%.

(00:29:05):

What this expansion allows us to do is not only meet the growing demand within the defense side of the business, but also within the commercial and specialty energy side, and it is truly preparing for what we see as a prolific growth in commercial nuclear energy between 2030, 2040, and beyond.

Drew Erickson (00:29:24):

The investment for the Zirc Sponge expansion includes a new chlorinator, a new sublimer, a new cooling tower. So, the main focus is on our chlorination process, converting our oxide into chlorides, which can then be changed into usable metal form.

Merritt Osborn (00:29:40):

And this is really ATI Specialty Alloys and Component's long-term commitment to zirconium and especially energy markets. The expansion will allow us to say yes a lot more often to customers. When they come back and they say, "ATI, I need more material to support my growth," we can come back and say, "Yes. ATI can be your primary supplier. We can support your growth. We are here to stand with you and help you serve your customers."

(00:30:02):

And that's really what this expansion is all about is how do we help our customers grow in the core markets and the core areas that they do best? So, it's an exciting time to go back to the customers and say, "Hey. We heard you. We want to do this for you. We're supporting you in your growth," and that always strengthens the relationship.

Arnel Fajardo (00:30:18):

What excites me the most about this Zirc expansion project is the fact that we're going back and having to look at the designs. The question is what has changed? What can we do better? What do we need to update? And how can we make things more efficient, so, that these new assets will be running reliably for the next 20, 30 years after they're being built?

(00:30:38):

So, we've got a great opportunity now to set the foundation for future production and future growth of this business for years to come.

Trevor Giroux (00:30:46):

This investment from a domestic or sovereign standpoint is critically important. In Western Supply, we go from the ore or the mine all the way to final metal. We are vertically integrated to the point where we are reliant on the United States, the United States alone, in order to be successful in separating and purifying these elements and turning them into nuclear-grade products. This allows us to continue that self-reliance within the United States to be able to serve not only the nuclear Navy, but also the very firm commitment for having specialty energy really be the dominant power and challenging energy scarcity for United States and Western world citizens for the next decade or more.

Kim Fields (00:31:35):

As the team highlighted, demand for high-purity zirconium at scale continues to grow rapidly in both our defense and our energy applications. And our last capability pulls it all together, all of these advanced materials, transforming them into critical components using our isothermal forging process.

(00:31:57):

By controlling temperature of both the material and the dye, we are able to form process-sensitive materials into complex shapes such as a hot section disc in an engine with the properties that customers require. Specialized heating and cooling tailor those properties in different areas of that disc, putting strength and mechanical properties exactly where they're needed. ATI supplies these isothermal forged discs across every major engine manufacturer, and we bring together our material expertise with this component manufacturing. We are one of only two integrated U.S. suppliers with these specialized forging capabilities, and this rounds out our four incredible differentiated capabilities that set ATI apart. These aren't just four product categories or processes, as I mentioned earlier. These are specialized capabilities built through years of technical learning and investment. They help our customers perform in the most demanding applications in the world, and they give our customers confidence today and help keep ATI accelerating.

(00:33:17):

Our second pillar is to grow in the markets where customers need us. Using AD20, as I mentioned earlier, we focus on those markets and customers that value our differentiated capabilities. These markets are where we have very deep moats and generate higher returns, because of high barriers to entry, few qualified suppliers, and very strong long-term durable demand. These are applications where the work is difficult and ATI's capabilities are what customers value along with our reliable supply.

(00:33:56):

And we don't just supply a product, we partner with our customers to solve their challenges both today and in the future. As a result, we're rewarded with strong returns and long-term commitments. But first, let's talk about what defines these markets and sets them apart. There's four factors that guide where ATI competes and invests. The intersection of these factors, expanding markets, limited supply, complex customer applications and customer partnerships are where ATI excels and leads to our attractive returns.

(00:34:36):

Taking each one, first, qualification along with our technical capabilities forms a real barrier to entry. Customers must qualify both the material and the process, and, in some cases, all the way down to the asset level to prove that they can perform consistently at scale, a painstakingly precise process that can take years and a large investment. But once a material's qualified on, say, an engine platform, it can support that platform for the decades that it continues to be sold and put into planes.

(00:35:17):

Second, we look for durable demand. Air travels continue to grow, fleet replacement, defense readiness, rising electricity demands. All of these create the backdrop for our advanced materials and forged parts. These are the markets where performance matters, and that's what ATI provides.

(00:35:43):

Third, we focus on those capabilities that I just got done sharing with you that are difficult to replicate. As I mentioned earlier, ATI now produces six of those advanced alloys used on next-generation engines. And we're proud of the positions that we've earned, but we're not standing still. We continue to invest in our people, in our processes, and our capabilities to maintain our performance and raise the bar even higher.

(00:36:14):

And fourth, we grow through customer partnerships. We get the first call. Customers bring us challenges that others can't solve with a standard material or a standard process. And our teams ask, "What would have to be true?" We're known throughout the industry for teams that dig in, and if you bring us a problem, we will look at all the different avenues around material science, process expertise, and manufacturing capability to work with our customers to find a solution. And once we've developed that solution, we then align that demand with elevation and investment.

(00:36:51):

These four factors, qualification, durable demand, differentiated capability, and partnership shape where we compete and how we grow. Marty's going to share with you how these connect to our market opportunities and commercial model behind our strategy. But let me show you what this looks like in practice, how capability and qualifications go hand in hand and how consistent performance can create a differentiated position over time.

(00:37:25):

This slide shows how we earned a sole source position on one of those five jet engine alloys. We started as one of two suppliers, and as this program ramped, the other supplier was not able to meet their quality requirements or keep up with their production demands. ATI did, thanks in part to our vertically integrated halfnium capabilities, as well as our downstream

Kim Fields (00:37:52):

... [inaudible 00:37:52] capabilities and isothermal forgings. In 2021, as you can see, the customer moved to a sole-source relationship with ATI, and years later, we remain the only supplier producing this material with an agreement that extends for decades. We've seen this progression on other programs. This is not unique. We earn the opportunity to come in and qualify our product. And once we have that position, we prove to the customers that our consistent quality, our reliable supply earn us the right to continue to grow with them and earn share. That position you see here was earned through performance, and it shows why this combination of both capabilities as well as reliable supply are so difficult to replicate. It also gives us a very strong foundation to grow for decades. The last pillar, bringing it all together, we convert that demand in these markets with high barriers to entry, invest in those differentiated capabilities, and optimize our operating footprint to generate strong earnings.

(00:39:07):

elevATIon is our operating system that we use to drive these improvements. Through elevATIon, we are improving commercial discipline, productivity, throughput, and equipment reliability across all of our manufacturing footprints. I hope you were all able to see some evidence of that, and I heard maybe some of the tours got some examples of that from the team. This helps us reduce our inventory, reduce our cost to serve customers, and more effectively improve the performance of our assets. elevATIon has changed the way we operate.

(00:39:46):

Our focus is to optimize our existing footprints, unlock that hidden factory within our four walls, and then invest in that maximized footprint. These capabilities, markets, and investments underpin ATI's strategy and our accelerated growth plans and support our growth for the next three years. So let's pull it all together and review our new 2029 financial targets. We are positioned for decades of profitable growth. Our 2029 targets reflect combined effect of these properties, stronger revenue growth, higher margins, and more free cash flow. From 2026 through 2029, we are targeting annual revenue growth of 10 to 12%, including the doubling of our specialty energy business.

(00:40:45):

We're targeting adjusted EBITDA margins in the upper 20 to low-30% range, implying at least a 700-basis-point improvement over the three years. And we expect to convert more than 90% of that profit into free cash flow that would deliver adjusted free cash flow of $1.25 billion, more than double our expected 2026 levels. We plan to continue to return cash to our shareholders by returning more than 75% of adjusted free cash flow with the bias towards consistent share repurchases. But let me be clear, these are guideposts. These are not the full limit of ATI's opportunity. We have a strong foundation in our capabilities, our customer relationships, and our people. Now our focus is on accelerating execution, delivering profitable growth, and strong financial performance that we've outlined. Rob's going to walk through more of the assumptions behind these targets and the financial frameworks in detail.

(00:41:54):

But first, our Chief Commercial Officer, Marty Pike, will share how our customer positions and market opportunities supports ATI's strategy and our pathway to be a $7 billion company by the end of this decade. Marty brings more than 20 years' experience at ATI and most recently was the President of

Specialty Materials. The campus that you saw today was one of the many sites that he ran, and he oversaw unprecedented demand as we came out of COVID and as you saw, started these investments that are ongoing today. As he takes the stage though, let's hear from one of our key customers about why ATI is vital to them.

Dominique Arnal (00:42:43):

We are celebrating this year our 25 years of collaboration with ATI, so it was important for us to testimonize this milestone.

Nicolas Lemoine (00:42:53):

ATI is one of our prime, prime suppliers when it comes to raw material products or flat-rolled products and bars. So basically the products of ATI fit and go on all of our platforms. When I speak platforms, I want to emphasize here Airbus commercial platforms. So single A320 family, A330, A350, and A220. If we are looking at the growth ahead of us in terms of ramp-up, ATI is a key and prime partner for us.

Dominique Arnal (00:43:23):

What we appreciate with ATI is the broad range of products that they are offering to Airbus, their competence in high-end raw material, titanium, specialty alloys, and the fact that ATI is as well a large company with capability to invest and to accompany Airbus ramp-up.

Nicolas Lemoine (00:43:47):

It's an incredible honor to be amongst the ATI family to have this moment together, to praise the work that is done by the people, but also to recognize the importance of the state of North Carolina, an incredible place where aviation was created, a place where we have many of our partners, but also a place where Airbus has a strong footprint.

Dominique Arnal (00:44:07):

Airbus is currently growing very quickly in term of deliveries. Last year we delivered close to 800 aircraft. This year we have a goal around 870 and targeting 1,000 aircraft as quickly as possible. And within this dynamic, ATI since 2021 has grown seven times in term of size within Airbus. So it's quite significant and for sure ATI is a major partner to support us in this growth and in this delivery rate.

Nicolas Lemoine (00:44:35):

Any supplier to Airbus is a part of the Airbus family. Why? Because this supply chain is guided by an ambition, an ambition to serve this growing industry, but also by qualities that are crucial to serve. It's a commitment to quality, because without quality, there's no safety and no safety in our industry is simply not an option.

Marty Pike (00:45:14):

Good afternoon. What we just heard from one of our strategic customers, Airbus, it is a clear example of the opportunity in front of ATI. My name is Marty Pike. I'm Chief Commercial Officer, and I look forward to the next few minutes as we get to talk about our commercial strategy, not just how we're supplying more materials into growing markets, but where we're partnering with these strategic customers. We're working with them as they develop the next generation of products, as they continue to increase their capabilities and capacities and as they solve some of the world's most challenging and critical problems

on the supply chain and technology. ATI's commercial strategy is to take our strategic customers, work with them, pull our differentiated capabilities together and provide long-term profitable growth. Let me share with you how we're going to do that.

(00:46:15):

ATI looks at markets that are strategic, meaning they have durable demand, long- term forecast visibility, and our customers, our customers look for our technology, they look for our strategic capital, and they also look for us to secure their supply chain. When you look at these markets, aerospace, defense, specialty energy, each one of those fits in the frame of our strategic commercial objectives. We'll start with the aerospace industry, particularly in the jet engine market. When you look at the jet engine, our materials go across the entire jet engine. We make materials and components and we like to focus on what we like to call the hot section. Some people call it the core. We prefer to call it the heart of the engine. The materials and components that we produce in the heart provide the thrust. They rotate at speed as air is pushed through the engine in the combustion section, it gives that engine a heartbeat.

(00:47:25):

ATI is the heart of the jet engine. When you think about what you saw today, for those of you who are on the tour, saw us producing proprietary alloys, the powder that you saw, 100% uniform consistency that creates these components that withstand heat, force and speed. We know that this makes extraordinary products, the type of products like disks. These disks go into the hot section. They're connected with these blades and they rotate together at speed in these temperatures. Consider this. One of these turbine blades weigh about two pounds. As it's spinning on this disc, it's pulling on the disc with the thrust of a fully loaded tractor-trailer.

(00:48:16):

Now imagine dozens of them all through the ring, tremendous speed, a thousand times per minute in these extraordinary conditions. That's where our material has to handle. And then think about the next generation of engines. The engines are getting hotter, that heartbeat is getting stronger and that's where we have an advantage. We're positioned to grow there. As the next-generation engines grow, we're there too. These engines require more demanding performance. They have tighter specs and the products and components they need are in a constrained environment. This next-generation engines, they run hotter. They run hotter because they have to hit the fuel efficiencies. They have to hit the mission requirements. The heat is just getting greater. Our engineers like to think about it like this.

(00:49:09):

The heat has intensified and as it's intensified, the specs are becoming more challenging and that's where ATI is differentiated. Remember what Kim said? We make five of the seven superalloys where we're sole-sourced. The sixth one, we're one of two. Titanium PQ, one of two. Hafnium zirconium, one of three. Isothermal forging, one of two. And that's why we're decades ahead of the competition, we're just going to extend our lead. Let me give a focus onto the jet engine market. As the next-generation engine grows, the market build rates, our share will ramp as well. If you look at the chart, '26 through '29, production rates are growing at about 11%. New builds and MRO is relatively limited at this point and it's partially offsetting the growth.

(00:50:08):

ATI will grow with the market through '29, but as you move past '29 and into the next decade, you start to see the service lives of these engines need to come in for MROs and you can see the significant growth there and that's where ATI will grow with the market and current through '29 and to grow with the MROs as we move out. And remember, these engines, the next-generation engines, the materials

we put in those have a better margin perspective and also we're twice the content of the value as compared to the legacy engines. These next-generation engines are a great story for us, but it's not the whole story. The whole story is really when you take these engines and you connect them to the airplane, ATI produces materials and components that not only go into the jet engine, but we also go into the airframe and the airframe market is critical to us. Imagine this, a 275-ton aircraft descending onto the runway in a fraction of a second, landing gear must absorb the impact of a freight train, withstand braking and lateral forces all while remaining in the air moving at 600 miles per hour. That's what our material is designed to handle. Let me tell you why this market's important. The aerospace titanium market is going to continue to grow. That's because composites, if you think about composites, they're getting more and more popular on these airplanes, particularly the next generation.

(00:51:44):

And as the airframers are looking at their future generation, they're also looking at composites in a big way. And for a materials company, you may think that may not be so good, but for a company who produces aerospace-grade titanium, ATI titanium, it's a good thing. ATI's titanium provides a non-corrosive environment with the composites, so compatibility, lightweight, and high strength. We make the full suite of products and alloys when you think about from sheet and plate, billet and bar, all of these products. We also make premium-quality titanium for the airframe. It's not just rotating parts like in the engine. These are critical applications as Kim talked about the landing gear. The landing gear, we melt the material, we make the components, and they have to survive day after day, hundreds of thousands of pounds of force on every landing every day. This is what our material is designed to do.

(00:52:51):

We do know that this is going to also be a very long-term value for us. Again, I mentioned the widebody and as the widebodies continue to recover, those airframes require three to five times the amount of titanium than the narrowbody. So as these start to get back into the market, it makes a very compelling story for the airframe. So I'm going to take you beyond the atmosphere and take you up into the stratosphere. Let's talk about space. Space is another part of our aerospace market. Kim mentioned some of the applications we have, but when you talk about space, refractory heat-resistant material, this material starts to perform when conventional materials reach their limit. Think about the environments we're in, propulsion, rocket nozzles, heat shields, thrusters, extreme temperatures in amazing environments. When you see that red glow from the second-stage rocket, most times when you see that red glow, you believe material is deforming, losing its strength or failing.

(00:54:00):

What ATI has designed is designed to withstand these extraordinary conditions, keeping its strength, keeping its structure, and to finish the mission. Think about it like this. When you see the red glow, that's usually a warning sign for metals, but this is what ATI has designed it to do. The C-103 metal that you see, Kim touched on it briefly, this has been produced for 60 years, has been on every manned flight. It's the only one certified for manned flight. It was on the Apollo space mission, if you want to go all the way back there, and is a sole-source position. Space is an interesting growing market and visibility is becoming better. There's about a launch a day, it seems like, and it just seems to be getting more and more critical. And so space is interesting. So I'm going to take you now back out of the stratosphere.

(00:55:00):

Let's come back down to earth and we're going to talk about the defense and specialty energy markets. We know the world's not becoming any safer and the defense market is critical. Geopolitical conflicts are having governments reconsider their defense budgets and the defense budgets are increasing. The missions are also becoming more critical, and that's where ATI is here to support the warfighter. We

think about fighter aircraft, submarines and carriers of the naval nuclear propulsion for those massive ships, tanks and vehicles and missiles. Naval nuclear applications are clear areas of growth for ATI, long-term agreements, good visibility, durable demand, defense business is expected to bring a better price-volume mix as we roll through 2029. And then as we continue to see these defense budgets grow, it also affects what they do on the fixed-wing fighter craft and the missile programs. Missiles are completely important.

(00:56:06):

As you think about what the Department of War has issued for multi-year contracts on some very technically complicated missiles, PAC-3, THAAD, Tomahawk, those complex missile programs need complex solutions and our materials are there to do it. We're going to see three to four times the production rate increase again in the market visibility, durable demand, and defense is critical, but when we move to specialty energy, this will provide an extraordinary opportunity. We will expand our share with double-digit growth and double the revenue in specialty energy as a percent of sales. Our materials are built around this, very similar to the rest of the markets, heat, pressure, long service life. And we think about specialty energy, we're highly focused on the commercial nuclear market. Countries are looking to increase their nuclear output because of the electrification grid refurbishments, and you heard Kim talk about hafnium and zirconium.

(00:57:12):

These are in the most critical areas of the reactors and we're expected to grow with that. 30-plus countries around the world have pledged to increase their nuclear output threefold by 2050 with refurbishments in the marketplace and that type of growth, that's significant. And then we look at the industrial gas turbine market, this will play a significant role. The materials that go into the industrial gas turbines, very similar to the jet engine market, nickel, titanium, zirconium, hafnium, critical forgings. And when you put these two markets together, there's a great opportunity on both commercial nuclear and industrial gas turbines as people are expanding their capacities and putting power generation closer to the market. This market is really interesting. We have a video from one of our strategic customers, GE Vernova. They're going to talk about what's going on in the market and how ATI is looking to partner.

Scott Strazik (00:58:22):

We're at a point now where we're having very strategic discussions with customers for demand through '35. And to think about that in January of '26 to be talking about volume through the middle of the next decade is a meaningful shift to where we were as recently as two years ago, where we were really running the business on a directionally 24 to 36 month cycle time of continually filling our backlog. Gas is critical. It's really the force multiplier that allows a lot of other technologies to also get built.

Kim Fields (00:58:56):

We've been focused in aerospace and defense, but you're changing your markets.

Scott Strazik (00:59:00):

Yeah.

Kim Fields (00:59:01):

They're not 18 to 24 months anymore and you've got that certainty of demand, which allows us to make long-term investments around where's the next breakthrough coming? It's not always something that you anticipate or you see right in front of you, but we want to work together transparently with that

trust of sharing information and we're going to discover something that next decade they're going to look back at this video and say, "Those two didn't know about this, but it changed this whole industry." And that's my goal.

Scott Strazik (00:59:29):

I'm in.

Marty Pike (00:59:38):

I'm in. What a great ending to that. So it's exciting to see what GE Vernova is up to, but it's another good example, a perfect example of our commercial strategy. Strategic customers working with them on their opportunities, pulling our differentiated capabilities together and turning those into long-term value for both of us. You may be thinking about, "Okay, Marty, I heard you talk about all the markets and the demand now. Let's see what that is actually in practice." How does this actually work and what does it mean? So our commercial strategy is of value to our customer. We build relations, we innovate with new tech and we create value. Let me give you an example of how this works. Let's think about a jet engine supplier, producer. They're creating a brand-new jet engine. They're going to increase the temperatures of the core. The testing requirements are getting tighter and they're going to be flying up in some extreme environments, 30,000 feet in the air.

(01:00:46):

They come to ATI, "Hey, we're building this. Here are the specifications. Here's the complicated nature of what we have to accomplish. We need you to take your materials, those differentiated materials capabilities, create a disc for us. Oh, by the way, zero defects." All right. We say, "You bring the spec, ATI will bring the tech," and then it's on us. Unmatched processes, unmatched capabilities, manufacturing and setting up, and we work with the customer. Development isn't cheap, but it's a value to the customer, so we partner with them. They help foot the cost of the qualification. They help us develop strategic capital. We both have skin in the game, and at that point in time, we build the disc, we test it, and it's qualified, and that's when we create an LTA. Our customers get a surety of supply. They get a front-of-the-line view.

(01:01:49):

They put in money to get into the strategic capital, so they have a spot at the front of the line. And this is key and critical for us. When we think about the LTA, it's surety of demand for us, so long-term, durable demand, visibility, but we also have pricing optionality in it. We think about raw material indexes, pass-throughs, think about inflation, pass-throughs. These are risk reducers. But as our customers continue to innovate, as they think about pushing the limits of this next-generation engine, we work with them. We help them improve so it gets to be a better product. The testings get more tight. We go with them there where they need more material. We work with them and meet their challenge, but it's also where we get valuation. We monetize the value at that point in time. LTAs are really key to how we think about the business, and altogether, this is ATI's competitive advantage. Customers depend on ATI for four reasons, performance and mission-critical materials, assured supply of difficult-to-make products. This is important, consistent quality at scale, and then the technical partnership from development, qualification, production. Together, those are the advantages that set ATI apart. Okay. Now it's my pleasure to introduce Rob Foster, who will take us into the third strategic pillar, talk about how we're going to take all this demand and turn it into results. Rob Foster.

Rob Foster (01:03:53):

Hello, I'm Rob Foster, and thank you for joining our Investor Day today. I became the CFO of ATI in the beginning of 2026, and it took about three to four days, I think, before the first investor started asking me, "Rob, when are you going to update your long-term 2027 targets?" And I was thinking, "Man, it would be nice if I could get a few months or at least a few weeks before we needed to provide an updated long-term guidance." But I understand why the investors were asking. It was potentially visible then, and it became obvious after three consecutive beat-and-raises here in 2026 that ATI was on a trajectory to achieve the previous long-term 2027 targets in 2026, a full year early. For those of you who waited patiently with me for the last few months, today's the day that you're looking forward to.

(01:04:51):

We're going to provide an update to the outlook. But before we provide that updated outlook, we're going to jump into the previous 2027 long-term guidance and talk about how we are on track to achieve that here in 2026, a full year early. As you can see, based upon the recent guidance from our Q3 earnings call, we are in a position to meet or exceed our consolidated revenue, our adjusted EBITDA margin. Adjusted EBITDA, and if you look at the segments, we're on track to achieve our segment targets as well for revenue and margin percent. These financial results reflect the transformational work that has positioned ATI as a stronger company with a solid foundation for growth. Revenue is supported by an attractive mix of growing markets reflecting the success of our transformation into an A&D company. As volumes grow with our differentiated products, we expand our margins. Higher margins drive stronger earnings and cash flow, which support the maintenance of a strong balance sheet, continued organic growth opportunities, and consistent returns of cash to shareholders. So now let's review the evolution of ATI over the last four years.

(01:06:12):

We have made meaningful improvements in our financial performance over the last four years since our last investor update. Our revenue has grown at a 7% compounded annual growth rate and our EBITDA has grown at approximately 23%, nearly three times our revenue growth as we focused on price and mix and utilizing 80/20 tools to manage our portfolios. Adjusted EBITDA margins expanded by 700 basis points through the third quarter of this year, and our cash generation is accelerating. In 2025, we generated $380 million of free cash flow, and this year we're on track to generate approximately 575 million or 50% higher than last year, and it's about 3.5 times the amount of free cash flow that we generated in 2023.

(01:07:06):

So what has this improved financial performance meant to you as investors? More capital to return to shareholders. Over the last four years, we have returned meaningful cash to shareholders each and every year. We've returned about a billion dollars and retired almost 15 million shares at an average price of about $68 a share, and we've reduced our outstanding share count by nearly 8% since 2023. These share repurchases have been the most efficient and effective way to return capital to shareholders, and returning capital to shareholders has been and will be a priority going forward. And so now that we've level-set on the historical financial performance, Let's turn to the updated targets and let me put a finer point on the 2029 outlook.

(01:07:59):

Just because we've had a lot of success with our first act, transformation, it doesn't mean we're content. Today we're introducing new long-term 2029 financial targets that underpin our next act, acceleration. If you look at the revenue growth, you can see low-double-digit compound annual growth rate over the next three years, say 10 to 12%. This revenue growth is driven by aerospace and defense demand, as well as strong demand in our specialty energy markets. This continued focus on A&D and specialty

energy will lead to a richer mix of products driving strong incremental margins and overall margin improvements in both segments. We plan to drive free-cash-flow conversion efficiency to greater than 90% and return most of that cash back to shareholders. We currently see our 2029 free cash flow target at $1.25 billion.

(01:08:59):

Now, let's double-click on the segment level. We see our HPMC segment going from a margin profile in the mid 20s to the low to mid 30s by 2029. We see our A&S segment moving from the low to mid 20s to the mid to high 20s by 2029. And while we expect upside in both of our segments, we see HPMC as having the most opportunity to expand margins over this three-year period. And let me remind you, 2029 is a waypoint, by no means the endpoint of our evolution. We see growth continuing well beyond our 2029 guidance period. So now let's spend a minute talking about how we plan to achieve these targets. Approximately two-

Rob Foster (01:09:52):

... thirds of the growth is going to come from higher volumes, both from the newly added organic growth CapEx investments, as well as capacity unlocks enabled by elevATIon. In addition, we're going to be recognizing additional earnings from favorable pricing and mix initiatives, as well as cost savings that will more than offset inflation, both of which are enabled by elevATIon. So we're going to spend the next few slides talking about the details behind our growth CapEx and the capacity unlocked by elevATIon. But before we dive deeper, let's watch a video describing our elevATIon operating model.

Video: Bailey MacKnight (01:10:32):

elevATIon is ATI's operating and cost improvement system. And what we're doing with elevATIon is changing the way that ATI operates. It touches all aspects of the business. It goes between supply chain, operations, procurement, all the way down to making sure that the ATI plants themselves are talking, and even lower than that to making sure that we're optimizing the metal that we use in our process.

Video: Matt O'Connor (01:10:58):

One example that comes to mind that kind of ties it all together is yield improvement. And through the lens of elevATIon and that bottoms-up approach of getting ideas from the operators and the engineers that work on the floor, we were able to take a value stream level view and understand theory of constraints and where we needed to put project work to unlock throughput and unlock value.

(01:11:20):

In the overarching container of yield improvement, as an example, we put targeted projects around areas in the forge and intermediate conditioning to drive those yields up and ultimately improve the profitability of that value stream. And we've done that across several, but it's really allowed us to take a step back to our core of value stream thinking as the mechanism to understand constraints and therefore drive throughput and value.

Video: Bailey MacKnight (01:11:45):

Anybody in the company that has an idea now has a system and a path to take that idea and bring it to reality. It's been incredible to watch how that has evolved from a program into the DNA of ATI, so now elevATIon is ATI.

Rob Foster (01:12:06):

As you saw in the video, elevATIon is changing the way we operate across the business. It gives our teams a consistent way to find opportunities, tackle constraints, and turn ideas into measurable improvements. From improving yield and increasing throughput to optimizing costs, our teams are focused on projects that strengthen our value streams and improve our profitability. And that work is happening across ATI every day. That's why elevATIon isn't just a program, elevATIon is ATI.

(01:12:38):

So as we have discussed, we expect significant volume unlocks, as well as price and mix opportunities to be enabled by elevATIon. And you can see that in the first kind of chart there with the gray, with the base growth. However, most of our growth is going to come from increased volumes from our new growth CapEx projects. We expect almost $1 billion of incremental revenue to come from the four growth projects that are in process.

(01:13:05):

The first project here is the newly announced zirconium project. Kim mentioned it early in her presentation, but the zirconium project is expected to add approximately $100 million of incremental revenue at 50-ish percent incremental margins. And we expect that to be at full run rate in early 2028.

(01:13:29):

And let me remind you, zirconium is used primarily in our nuclear businesses, so think nuclear defense, nuclear specialty energy. But our zirconium is also used as an alloying addition to some of our premium quality titanium that's used in rotating jet engine discs.

(01:13:49):

The next two projects are the previously announced titanium project and the nickel remelt and primary melt projects. And some of you had an opportunity to see those projects today, or at least the nickel remelts and primary melt project, but I'm happy to say that both of the projects are on scope, on schedule, and on budget.

(01:14:14):

And speaking of the Bakers campus tour, some of you also got to see the new project, the newly announced nickel powder project. We expect that project to contribute approximately $200 million of incremental revenue with incremental margins of approximately 50%, and we expect that to be at full run rate by the end of 2028. And again, the nickel powder is going to be used primarily as a jet engine for the jet engine applications.

(01:14:45):

And I want to clarify that all of these growth projects are focused on one of our four differentiated key areas where we have a competitive and durable competitive advantage. We are staying focused on our core. We're staying disciplined and enforcing our 30% return threshold. And we're being careful not to add capacity that could lead to pricing instability or erosion. And with so much of our growth being enabled by organic growth CapEx, we wanted to share our perspectives on how we think about the stages of organic growth CapEx. We think of it in four phases. The first phase, capital deployment. When we talk about capital deployment stage, think about moving earth, building buildings, installing equipment. And for those of you who got to see the Bakers campus, you saw a lot of that. You saw bulldozers, cranes, you saw buildings being built, equipment being installed. So that's really the first stage.

(01:15:51):

The second stage is once we get the equipment installed, we start to test out that equipment and manufacture limited quantities of material. So we learn how to dial in that equipment so that we can meet our very demanding customer specifications.

(01:16:07):

Once we're confident that we can meet these customer requirements, we then move into the qualification phase, and this phase can be quite voluminous. In some cases, we're required to melt over a million pounds for a customer qualification. In other cases, we're required to melt multiple product forms. So think about melting ingot, billet, bar, sometimes taking it clear through a forged part to get qualified. In other cases, each individual piece of equipment along the flow path has to be qualified for a fixed frozen path.

(01:16:49):

And once we work our way through the qualification process, which generally takes, I'll say between six and 24 months depending on the type of asset, we then move into the ramping for production volumes. This is where we work out all the efficiencies that come along with manufacturing at production volumes.

(01:17:09):

I also want to call out on this slide that you can see that several of our newly announced projects are fairly early. However, we do expect our titanium assets to start contributing incremental revenue as well as our nickel remelt assets to start contributing incremental revenue beginning in 2027, though they won't be at full production run rate until 2028.

(01:17:34):

So now that you've seen the stages of the CapEx and what stages they're in, let's take a look at how I think about CapEx in the profile overall for the next couple of years.

(01:17:49):

While we've announced a few new significant new organic growth CapEx projects today and over the last few quarters, our outlook doesn't include a major increase to our overall CapEx spend profiles. We see modest increases in our CapEx spend for 2027 and 2028, as we work to ramp to meet our customer's growing demand for differentiated products, and this will not exceed 7% of sales. Then in 2029, we expect it to drop back to a more normalized range of between five and 6%.

(01:18:27):

And let me be clear, we are not investing in any monolithic growth CapEx projects. Again, we're limiting our investments to the key differentiated areas where we have unique capabilities and positions with our customers, where we're aligned with customer contracts, or even in some cases, customer funding. We've done several customer funded projects over the last couple years, so I just wanted to give you a flavor for how I think about customer funded CapEx.

(01:18:55):

And before I do, I guess I'll step back and explain how I see the markets. The customers, generally speaking, in our key differentiated markets like aerospace, defense, specialty energy, a lot of them have really significant growth profiles in front of them, and they can't achieve their growth profiles without ATI's materials. So security of supply is really important. And from our perspective, we have precious capacity that we have to determine how to allocate.

(01:19:27):

So when I think about customer funded capital, it's really about alignment. It's a way for us to get aligned with our customers so that we know exactly what capability they need, at what capacity, and over what timeframe. And from our perspective, we get to better understand that alignment. And in addition, we get the efficiencies that come along with that alignment when you move through the processes like the qualification. So our customers, if they have skin in the game, they're more likely to be responsive. They're going to be ready to help us qualify as soon as we get the equipment installed and commissioned. So it's really a win-win.

(01:20:04):

And I also want to be clear with what customer funding is not when we talk about customer funded capital. We do not give our customers title to the equipment. We don't give the customers the ability to do the production planning on these assets. We don't give the customers exclusivity for these assets. And finally, we don't have a pricing conversation when we do the customer funded. Pricing is a separate conversation that we have where we talk about the value that we're helping bring to the table and helping them create. So customer funded capital is really about that alignment with our customers.

(01:20:42):

So now let's move on from CapEx and talk about another priority area for our outlook, managed working capital. We still have work to do with regards to our managed working capital efficiency, and we're going to be focused on managed working capital using elevATIon as our tool for driving improvements. We'll be laser focused on the supply chain initiatives, as well as operational improvements, including yield, scrap, and throughput gains. And the target is to drive our managed working capital as a percent of sales below 30% by 2029. And these improved managed working capital efficiencies will help drive improved cash flow.

(01:21:26):

So as I look at the free cash flow in 2029, I see us more than doubling our currently projected 2026 free cash flow to $1.25 billion, which equates to a 90% plus free cash flow conversion rate. As we execute and generate this significant free cash flow, capital allocation is going to be an important consideration. So I wanted to talk a little bit about how I think about my capital allocation priorities.

(01:21:55):

Number one, we're going to continue to maintain a strong balance sheet. Our leverage is currently within our target range of between one and two times, and I see that improving as we grow our earnings over the next couple of years.

(01:22:09):

The second priority is we're going to continue to fund organic growth investments that meet our investment criteria. In addition, we're going to be disciplined and responsible about the maintenance CapEx required to reliably run our business.

(01:22:24):

Once these first two priorities are met, we will then be positioned to return significant amounts of cash back to shareholders. We plan to return at least 75% of our adjusted free cash flow back to shareholders, and this will be over time within a disciplined capital allocation framework. My expectations are that share repurchases will be the way we return capital to shareholders over the next three year period.

(01:22:56):

So as you pull it all together, and as Kim and Marty shared with you, we have a tremendous differentiated capabilities and we're extending our lead. We are growing in high value markets where

the barriers to entry are high and our partnerships with our customers run deep. We're converting that demand into stronger earnings and cash flow and then returning that cash flow to shareholders. So when you put these three pieces together, it becomes clear that we've built the platform and now we accelerate.

(01:23:30):

And now Kim, Marty, and Rob Rengel will join me on stage and we'll jump into your questions. Thank you.

Video: Speaker 4 (01:24:41):

ATI, proven to perform.

Rob Rengel (01:24:46):

Okay. Thank you everybody. We're going to move to the Q&A portion of the program. Couple things. We've got some excited members here. Raise your hand. We've got some mics here. We can hand those out. Make sure to identify yourself, both your name and your affiliation, that will help us for the record. And we've got a couple of questions coming in online.

(01:25:08):

To start off, why don't we start in the front, our brand new analyst, John from Citi.

John Godyn (01:25:16):

Hey, thank you for taking my question.

Kimberly Fields (01:25:19):

Oh, it's not working.

John Godyn (01:25:27):

Hey, thank you for taking my question. John Godyn at Citi. Kim, when you were talking about the guidance framework, you described it as guideposts, not the full limit of ATI's potential. I was hoping that you could elaborate on that, we could explore that for a minute. And then separately, obviously the last guidance was hit a year early. So what would have to happen to hit the new guidance a year early?

Kimberly Fields (01:26:00):

I like that, looking ahead already, so I appreciate it. Yeah, so we did hit our guidance a year early. As Rob said, I think it was the first earnings call. The first question, "Hey, what are you going to do about that?" He's like, "Yeah, I just got here, so give me a minute."

(01:26:11):

But yeah, I wanted to be clear because this growth that we talked about in these markets does not stop at the end of 2029. And as we just shared, we're making some very important investments. We expect that to continue to expand and grow. I shared the one example. We're still winning share. That sixth alloy is a great proof point of there's still more growth for us to do in this space, not just with the markets, which are phenomenal, and Marty talked about that, but additional share, additional products. And we're seeing that across not just the powdered billets and those five hot sections, but also in premium quality materials, some of our advanced nickel materials. So as OE continues at a ramp and then MRO really starts to kick in at the end of this, we do see that growth continuing past 2029.

(01:27:07):

Now, to your point, what would pull that in? There's a couple things that I think, as I look at our markets, that could really drive that. One, with airframe, we've got build rates that I would say are fairly conservative. They're right around the consensus spot, maybe a little bit below that number. So if that were to accelerate, that would help on the narrow body.

(01:27:28):

But let's be honest, wide body hasn't really come back yet since before the pandemic. If that were to start to increase, I think Marty slide had up there, anywhere from three to five more titanium goes into those airframes, but the engines take a significant amount of our material as well. So that would be a really strong tailwind to allow us to be at the top end of that range or to do that sooner.

(01:27:53):

Defense, right now our guide has not built in a lot of the increased defense spending that have been talked about. Most of the programs that we're on are funded programs. So in the event of a CR, we're still very, very confident in the numbers we put out.

(01:28:11):

But there are things like missiles that are continuing to grow. I shared on some of our earlier calls, we've already taken some orders for some missile work. We've got significant, kind of seven, eightfold above that of inquiries that have come in as the industrial base starts to ramp up. So that, with the replenishment and restocking, could really create some tailwinds. Sorry about that.

(01:28:35):

And then specialty energy. I think we've got some significant positions, especially around nuclear energy and we're expanding that gas turbine space. So I think each of these, those guideposts, again, I think are based on pretty reasonable assumptions, but if we see some acceleration in any one of those markets or continued share wins, I think that would help us get there a lot quicker.

Rob Rengel (01:29:01):

We go right back here, Rich.

Rich (01:29:06):

You can hear me right? So I was kind of interested in your [inaudible 01:29:14] share gains. And I was kind of interested first, if you could tell me, one, is there further opportunity for share gains out there with build ramp? And second is what really drives that? I mean, for example, is it pricing? What's driving ATI to gain share and as we think about this going forward? Thanks.

Kimberly Fields (01:29:37):

Yeah, thanks, Rich. So as I just mentioned and Marty talked about as well, there are still significant share gains. I will share with you and the whole group, we don't typically win those on price. We're going to win on our performance, our quality, our service, our technical capabilities in those differentiated areas. The sixth alloy is a very open example of that, but we've won share gains across multiple areas of differentiated growth.

(01:30:14):

I think one that I talked a little bit about in the past is around our premium quality titanium used for jet engines. We're one of two in the world that are qualified. There's been some recent issues and challenges with that other supplier, and it's really accelerated the demand for our products.

(01:30:31):

So in that case, I know we've talked about this where we may have a share and a contract, most of our contracts contain caps, mainly for us to maintain that surety of supply for our customers, but as you start to exceed those caps, then that opens up another opportunity for us to talk about what does that agreement look like going forward. So there is still significant share gains.

(01:30:53):

As I go into every air show, I think this is going to be the year when things start to settle and people are pretty well aligned, and yet there's always opportunities where people are coming and looking for those expertise or capabilities to help them to make sure that they're continuing to keep up with the build rates. Defense, space, all of those, again, are growing and using these fungible assets, and so we do have increasing demand across the whole portfolio, which is really underpinning the investments we've talked about as well as those commitments.

(01:31:28):

So that's what it looks like for us. I can talk more detail, but generally, we're getting the market growth and then on top of that, these share gains and new market opportunities and new product opportunities. You heard Airbus, seven times growth with them since 2021, and a lot of that came from, some of you know, we didn't have a contract with them before the pandemic. We came out of the pandemic, we had not been qualified yet. Russia invaded Ukraine and all of a sudden we were in acceleration mode and today and many of those products were over 50% share. And that is just another example on top of the one I shared here that we've got these opportunities to come in and provide very, very high quality precision material to meet those very demanding performance requirements.

Rob Rengel (01:32:22):

Thanks, Kim. Yeah, Seth.

Seth Seifman (01:32:22):

Hey, thanks. Seth Seifman from JP Morgan. I guess to start out, could you tell us how much of the jet engine revenue now comes from the five, soon to be six, alloys and then how we think about that contribution to the overall growth in the coming years?

Kimberly Fields (01:32:42):

Yeah. And I'll let Rob jump in here so that he can answer a couple questions.

(01:32:48):

Yeah, it's a portion of that, but it's not all of that jet engine revenue. So as I mentioned, premium quality titanium, we do hot dye forgings as well. So it's not just in the very hot section we're also doing, if you look at an engine, it's got titanium, it's got more conventional nickel alloys, and then it has these very high temperature powdered alloys. We're participating in all of those applications. That picture Marty showed of the jet engine could have lit up blue all over the place because we are participating in lots of other areas as well. But Rob, I don't know if you want to add any color to that.

Rob Foster (01:33:24):

Yeah. If you look at when we do the disclosure with the revenue by segment kind of in that nickel space, it's a majority of the nickel within the HPMC side. So kind of just over that 50% kind of range right now.

Seth Seifman (01:33:39):

Cool, cool. That's super helpful. And then maybe as a quick follow up, and I don't mean this to be a downer question at all because the tour was awesome today and thank you. I don't doubt that the customers want to work with you and they're obviously assigning you share, which is great. But when you think when the customers talk theoretically about how they want to run a business and avoid single points of failure, how do you make sure that you work with them to make sure that you maintain your position as the only supplier of these products?

Kimberly Fields (01:34:08):

Yeah. I mean, I think it's a really important part because to your point, everybody wants diversity of supply. The problem is these differentiated capabilities that we provide are very, very difficult to replicate and they're going into applications that, as I mentioned, the cost of failure is very high. So when you just think about the technical capability, the qualifications, and the decades of consistent supply at scale, it's very difficult for them or anyone else to come into the space and supply materials.

(01:34:47):

I was sharing, we were talking last night with some folks and in this space, as we're doing this, we're also partnering with them. And I talked about that on the technical development. And many times the equipment we're putting in, I shared someone was saying, "Hey, somebody else could buy a VIM," for example.

(01:35:07):

Those VIMs we put in, just to share, we don't buy the off the shelf control systems. We put and design and program our own control systems, our own sensing equipment. There are pieces of that equipment we design all in-house and build and nobody else gets to see it. So just the equipment alone is a very significant barrier.

(01:35:28):

I think the reason customers continue to want to work with us, and I do hear this, Marty, you can jump in, our technology and our expertise, you got to meet some of them today, they're heads and shoulders above what they see in other companies. So when they have a really hard problem, that whole we earn that first call, that's very true. They're calling us and they're bringing things to us either we want to go design this next engine platform. We want to do this next missile design. They're coming to us, in some cases I shared, we had even the regulatory agencies coming to us and saying, "We want to help characterize these types of defects. Can you partner with us to do that?" And that's the technical reputation and quality reputation that we have throughout the industry that we bring every day, that customers want to partner with us to tap into.

(01:36:19):

I don't know, Marty, you want to add anything to that?

Marty (01:36:20):

No, that's exactly right. When we talk to our customers, even with this sixth alloy, the amount of time it took for us to get into production, qualify and we're ramping, it's impressive. I don't know if there's any

other business in the world who could have gone as quick as that to secure the supply chain. And I think that was around your question is how do we ensure that we don't have this single point of failure?

(01:36:47):

And I believe we look at the capital installment, just like the powder facility. We have a couple of different powder facilities in different locations, so some of that is de-risking it from a location standpoint and we have presses that can do similar things. So they've got some capability requirements that when you're sole source, you do have some operations that can pick up if something happens.

Kimberly Fields (01:37:13):

Yeah, good point.

Rob Rengel (01:37:15):

Okay, thank you. We actually have a number of questions online. I'm going to grab one on the technical side. This might be good for you, Marty. Question is, is the new jet engine technology making engines cooler, potentially reducing the benefit of your differentiation?

Marty (01:37:34):

Yeah, engines aren't getting cooler. I can tell you that. These next generation engines, they have to become hotter and that's how they become more fuel efficient, how they have to heat these emission requirements. So if you get... These engines have specific requirements, not only from world standards of emission, but if you think about all the volatility in gas that we've seen just over the last little bit, the aerospace industry demands these requirements because it's really helping them reduce that risk.

(01:38:10):

The engine guys are always going to innovate and where they innovate, they get better performance. So driving things like casting technologies, and we don't do castings, but that helps the performance of the overall engine. But the heat and temperatures that these engines are running at are required for the emission and the fuel efficiency.

Rob Rengel (01:38:34):

Thanks, Marty. Let's go back to in-room. Sam.

Speaker 7 (01:38:39):

Oh, sorry, Sam.

Sam McKinney (01:38:42):

It's fine. Sam McKinney from KeyBanc. Referencing the line on slide 24, once you're in, that customers prefer you in the dual source that you are on the sixth alloy, it stands to reason you'd eventually like to take more share and maybe become sole source on that one. First, is that true? And second, assuming it is, talk us through how you might plan to get there and what the typical timeframe for winning more alloy share on a platform has been like in the past.

Kimberly Fields (01:39:10):

Sure. I mean, certainly, our goal is always to continue to grow and take share, so I appreciate that opening. For that alloy in particular, one of our other strategies are to continue to integrate both at

upstream advanced alloy melting and producing with our downstream isothermal forgings. So as I look at it, our target would be to continue to grow that share so that we're completely supplying that material internally for those parts, those isothermal forge parts.

(01:39:44):

If I look at what that could mean, that could be doubling our current position on this alloy. And to Marty's point, just to remind everyone, we started this at the beginning of this year and we've already increased some of our share position there. And it is because of that surety of supply, make sure we're supporting the overall supply chain.

(01:40:04):

So what would that timing look like? Sometimes, and I shared a little bit on that other example, something unusual happens, there's a quality issue or maybe the other supplier can't step in when there's a need or an airframer ramps or MRO demands continue to raise or I hear a lot about upgrade packages. All of a sudden those are opportunities for us to come in and that what has to be true is really pervasive through our company of saying, "What do we have to do to be able to meet and rise to the challenge that's been laid out in front of us?" And many times when we're able to do that, those doors open and we're able to move that share position.

(01:40:43):

I do think, we talked about isothermal foraging, just to remind everybody, it's more than two years of lead time right now on those products. It's been like that pretty consistently for over a year, year and a half. Premium quality titanium has just shot out as well because of some of these challenges that are going on. So I do look not just in the hot section, but across our whole portfolio for those opportunities.

(01:41:06):

And our team, I tell you that the key is our team. They are the ones that come together and they don't let... It isn't the standard answer, which from what I hear, may be what other customers hear from other suppliers. But we do say, " How do we pull out the stops? How do we do the qualification, in the example of this alloy? How do we get the testing done? How do we accelerate that because we know we got to hit a mark to meet that need?" And customers know that and they have that confidence in us as well.

(01:41:37):

So those keep opening doors, we've got great opportunity to keep growing. There's some other fun spaces like space continues to expand and we're increasing our content across the company in the different applications we're doing there, as well

Kimberly Fields (01:41:52):

... some of the other emerging technologies that are coming out.

Moderator (01:41:56):

Thanks, Kim. Let's go with Miles here. Thank you, Andrea.

Miles Walton (01:42:06):

Thanks so much. Miles Walton, Wolf Research. Kim, you talked about the four differentiators at the company. Three of those, you've laid out some of the investment strategies. You just talked about isothermal having the longest lead time, but I didn't see the investment strategy there. So maybe just talk about why that is and that's absent. And Rob, I think the implied cash flow for '29, you have to hold

networking capital constant for the next three years. For the last three years, you grew it by $200 million. How are you going to do that?

Kimberly Fields (01:42:36):

All right, great. So I'll touch on your first question. I'm glad you gave him the hard one. So isothermal forging. So yes, I mean, when we look at the overall industry balance, there's probably the need for one or maybe even two new forges by the end of the decade. We are in a position where we are one of only two qualified suppliers. And so we are continuing to look at that, and talk through that, and making sure that we're thinking about what is the right timing.

(01:43:02):

One of the things through elevation, which I believe I mentioned, that hurdle rate is important, but also the timing. We want to make sure these investments are aligned to exactly when that demand hits, because putting it in early means you have underutilized assets. And so that is the balance, as we're thinking through and talking with our customers. And it's very important that before we start a project that we've got those firm customer commitments that are going to support that once it's in place, both for the revenue stream, but also for the qualification, which, in many cases, can be lengthy.

Rob Foster (01:43:34):

Yeah. And in regards to the inventory, I think if you heard my opening, I said we have some room to go with our managed working capital. If you look at where we're at, inventory specifically, I talked about that SYOP process, getting more efficiency with our production planning, and just a lot of the work going into that.

(01:43:54):

When you look at where we're at, at $1.7-ish billion of inventory, that's not the efficiency that we're targeting. So when you think about how we grow that kind of cash flow, putting the focus, and we talked about using elevation is going to be the focus area that we put on driving that managed working and capital efficiency. So is it going to be easy? No. But is it our focus area? Absolutely.

Moderator (01:44:23):

Okay. Andre?

Andre Madrid (01:44:29):

Yep. Thanks. Andre Madrid with U.S. Bancorp. Staying on the topic of isothermal forgings, you mentioned you're the only provider that is across all three OEMs. Obviously one of those is a bit newer to the mix too, relatively speaking. So I guess just can we maybe talk about what that mix looks like currently across the three, and how it should probably trend through towards the end of the decade?

Kimberly Fields (01:44:54):

Sure. Yeah. As we look at it, and we have grown our position, I've talked a little bit in the past about the work we've done on the GTF, and helping to support the AOGs there. So as I look at the mix from those three, it's pretty evenly balanced, distributed between all three engine OEMs. Now, how does that mix change as we go forward? Some of it'll be driven by demand of single-aisle build rates versus wide body. And so that's one thing that we're watching. That'll be the underlying driver as we're thinking about those two. Now, there's always share gains. There's always opportunities, where they need specific parts or they need an upgrade package that suddenly brings a part into higher demand. And those are

the kinds of conversations that we have with our customer, and bring those opportunities as we were just talking about for share gains.

Rob Foster (01:45:48):

Yeah, that's good.

Moderator (01:45:53):

Let's go here. Okay.

Doug Harned (01:45:59):

Doug Harned from Bernstein.

Kimberly Fields (01:46:02):

It's not on again. Hi, Doug.

Doug Harned (01:46:10):

Okay. How are we doing? No? Yes, okay.

Kimberly Fields (01:46:12):

We can hear you.

Doug Harned (01:46:13):

Okay, great. So ... Try another one? Okay. All right. Still Doug Harned from Bernstein. Now, an important part of the story that I think you talked about was the growth in MRO demand on the next-gen engines. And I'm interested in, as you play this out and look at your growth, what fraction should we see coming from the MRO side as opposed to OE? And you put a number up there of 12% CAGR starting in 2029 through 2036. That would require massive increases in MRO capacity to do it. So how do you think about your growth plans? How much is aftermarket? And where you expect that to go?

Kimberly Fields (01:47:02):

Sure. I think I'm going to let Marty take this since that was his slide and I'll let him take a crack at it.

Marty (01:47:08):

That was great. So when we think about the MRO and the new build split, and as you kind of move out, you do see the installed base of engines starts to ramp up. You get the next generation of engines, and then the service starts to come in. That's growth, and we see that growth. When we try to think about the split between MRO and the OE, we're agnostic. Our materials and our parts, they service both sides and the margin perspectives are similar. So it doesn't change as you kind of switch in and out of those two, and so we really see that transition going from growing with the market. And then this growth is really a strong projection going out into 2030 and beyond.

Moderator (01:48:02):

Thanks, Marty. Let's go to David over here. Thanks, Mara.

David Strauss (01:48:08):

Thanks. David Strauss from Wells Fargo. First question, I think you said specialty energy is going to double as a percent of sales. If you could just lay out also what you're assuming within that 10 to 12% for airframe, engine, and defense? That's the first question. And the second question, your implied incrementals, I think through '29, are around 50%, right around 50%. Rob, could you break that out between the legacy capacity versus new capacity? Is the new capacity incremental, kind of in that period somewhat depressed because you're just ramping up? Thanks.

Kimberly Fields (01:48:45):

Sure. So I'll take the first part of the question, then Rob, I'll let you take that second half. From a commercial energy, yes. Our target is to double the revenues and percentage there. The predominant portion of that today is nuclear energy, both defense ... That's in the energy space, although we also serve the defense markets as well. So we do see significant amount of growth. I think Marty mentioned 30 companies have made commitments to increase their nuclear energy. We support all of those.

(01:49:14):

Just to add some detail, being the only independent supplier, the other two have their own commercial nuclear businesses. So any other companies that are looking that maybe don't want to buy from their competitor are coming to us and looking for that long-term partnership and supply. So we're doing both new builds as well as refurbishments, refueling, restarts, and that's all going on.

(01:49:38):

So that's a big driver in there. I think the other piece of that is the industrial gas turbines. And I mentioned the interconnectedness, all four businesses are operating and participate in that market. We do see that continuing to grow. That market has changed. Those dynamics have changed pretty significantly. Before, it used to be more boom or bust, municipalities buying, and so they were more transactional purchasers for us. With this change to very long backlogs into 2033, and Google and Meta and others placing orders and positions on their order book, they're looking for that surety supply very similar to where an aerospace company is. And so that's providing opportunities for us to partner, to have deeper relationships, to think longer term with those companies. So both of those come together and they help balance the growth in energy as well as supporting considerable growth on the defense side as well.

David Strauss (01:50:33):

[inaudible 01:50:36].

Kimberly Fields (01:50:40):

Yeah. So on the engine side, it's going to be low double digits, in line with market for the most part. Marty shared a little bit about some of the market. We do see OE and then MRO accelerating outside this 29 base, mainly for next-gen engines, because if you remember, that's where our content is higher than on those legacy engines. On the airframe build rate, we are in line with consensus, actually maybe a couple lower per month if you think about that. So I think a fairly sound base to go forward where we might differ is that we have a little bit of a longer horizon on some of those build rates than where consensus is at over the three years, but pretty close to that number when you're in 2029.

Rob Foster (01:51:28):

Yeah. And then in regards to the incrementals, David, I think you've got it. You're thinking about it the right way in terms of there is, with the two new projects that we announced today, the zirconium project as well as the nickel powder, we put approximately 50% incrementals on that. But as we work our way through the capital deployment, the commissioning startup, the qualification as we're ramping, there is some time in that ramping where you have slightly muted incrementals as you kind of work through that efficiency process. So all of our projects from a new organic growth kind of CapEx are scheduled to come online at various spots within 2028. Some of them will be at full run rate early 2028, and some of them coming online at run rate towards the end of 2028.

Moderator (01:52:17):

Okay. We've got another one online that we'll take here. From a top line and bottom line perspective, is 2029 looked at as a peak for you? Explain what you see beyond 2029.

Kimberly Fields (01:52:31):

So let me be clear. It is not a peak. It is a way post, it's a guidepost, it's a way station up the mountain. I do think this growth continues. We have significant positions. These markets that we've talked about today, aerospace, defense, specialty energy, all have significant megatrends that are happening around the world that are driving growth. We are investing, we are well-positioned. So that growth just continues on forward.

Moderator (01:53:08):

Ken.

Ken Herbert (01:53:12):

Yeah. Hi, thanks. Ken Herbert with RBC. I just wanted to ask a question on IGT markets. There's been just a lot more, I think, volatility or changes in sentiment on that market more recently. I'm guessing you haven't seen anything, obviously, in terms of your customers and their sort of longer term views, Vernova and others, but as you just look at some of that volatility and look at the backlogs there, are you at all thinking any differently about durability of those backlogs with some of the more recent commentary or concerns that there could be some overbuild, especially relative to aerospace?

Kimberly Fields (01:53:47):

Well, so on the energy side, especially energy, as I mentioned, a lot of that is related to the nuclear power. But maybe more broadly to your point, there's lots of headlines around data centers and MRO and aircraft retirements. We have seen no impact. And in fact, most of our customers, I shared one quote when they said, "Hey, if you could double our capacity and production shipments today, we would take all of it." So we've seen no abating of any of that demand. For a lot of those data centers you mentioned in particular, we don't look at energy and the growth there as being a data center story, right? Energy demand continues to go up. We're headquartered in Texas. Texas is a perfect example of the needs just continuing to rise. But this is a global phenomenon, both grid stability and energy needs are driving increased demand. And so when I look out on energy or if it's airplane builds, really long eight to 10 year kind of backlogs, we've got over $4 billion worth of backlog ourselves. We don't see any abatement or any concern as I'm looking at our demand and our growth rates at all.

Moderator (01:55:11):

We'll go, Pete. Thank you.

Pete (01:55:17):

Pete [inaudible 01:55:17] Global. Maybe some of our color and commercial nuclear, I think Westinghouse is one of the captured suppliers. So I want to get a sense, do you guys have content with Westinghouse in utility scale, or is a lot of your commercial nuclear growth going to be in SMRs or microreactors, or how do we think about where that's going to manifest?

Kimberly Fields (01:55:36):

Sure, sure. And I'm going to let Rob take this one, since he was previously the president of the business that makes those materials. So Rob?

Rob Foster (01:55:44):

Sure. So when you think about the nuclear kind of vertical integration, Westinghouse does have a vertical integration kind of supply chain for their zirconium hafnium. However, they do also purchase from us to help augment. So you think about the other vertically integrated nuclear producer, you think about the folks over in France, they're vertically integrated. We also sell into them. So we're one of three in the Western world that are capable of producing that nuclear grade hafnium and zirconium. And if you think about the customers that don't have vertical integration, you know there's some of the folks that don't have a vertical integration. They're very logical partners for us.

(01:56:27):

In addition, that independence also makes us uniquely positioned for the government contracts. So we're able to sell into both of the other two producers as well as to those folks that don't have that vertical integration. So it's a great spot to be as the only independent producer of zirconium and hafnium.

Moderator (01:56:51):

Let's go Kyle over here.

Kyle Wenclawiak (01:56:58):

Thank you. Kyle Wenclawiak at Jefferies. It looks like the net new projects from '26 to '29 contribute about half the revenue growth and half the EBITDA growth. So maybe if you can just talk about that in the context of Rob's comments, that you're doing this in the mindset of keeping price stability. You mentioned to Miles' question about isothermal forgings being a project that's maybe a couple years out, but in that context, how you're thinking about these capital projects, the contribution there, how it addresses lead times, and then an extension of that question is what's gross versus net CapEx in the forward years? Thank you.

Rob Foster (01:57:40):

Yeah, so our guidance is based really on the gross CapEx. So if you think about how we put out the 2026 guidance framework with 280 to 300 million kind of gross with customer funding between that 55 and $65 million, the CapEx that we're laying out and talking through, not to exceed 7% is kind of that gross thinking. So we're thinking about that in terms of gross CapEx. And in terms of how you're thinking about it, we talked about the price volume mix, and that a majority of the volume is going to be coming from the volume enabled by the new growth CapEx projects, and we kind of laid out the ranges of the revenue, and generally the kind of implied incrementals from some of those. And then you've got the price, the volume, and the mix that's going to be enabled by elevation as another segment of that.

(01:58:34):

So overall, there's going to be a lot coming from both the newly-added organic growth CapEx as well as the price volume mix that's going to be unlocked by elevation. So we've talked a lot about elevation, but that's where we're going after it, and unlocking additional capacity, capturing new commercial opportunities with better pricing, working on that 80/20 on that mix side of things. And then the other pieces in that profitability side is looking to more than offset our inflation with cost reduction. So I expect that to be a net positive contributor.

Moderator (01:59:16):

Let's go Seth again.

Seth Seifman (01:59:20):

Thanks. Maybe two more. One on that kind of volume versus price mix. The price mix bar in the chart looks a little small relative to the others. So I wonder if you could talk about whether there might be some possibility for upside on that metric? And then secondly, when we think about the half of the revenue growth that's coming from elevation, or I guess maybe when we think about the phasing of the growth, because the growth capex is enabling about half the growth, and the growth CapEx is kind of a '28 and '29, does that mean that the growth rate is accelerating through the period, or does the elevation portion come earlier, and so that makes for a more even growth path? And just in terms of elevation, do we think that you're kind of close to running very much at capacity right now, and so the elevation efforts that you're going to make to get more out of the assets are something to kind of sweat for? Or do we think about that base growth as something where there's a fair amount of spare capacity right now in the business?

Kimberly Fields (02:00:36):

So I'll take the first part, and then I'll let Rob jump in here and talk about his volume mix and graph up there. So from an elevation standpoint, I think you're right. As you look at this, the way I would think about it is that it's accelerating growth through that three-year period. It does start to pick up some momentum as those new assets come on. But as Rob was just talking about, elevation is an important part of unlocking that hidden factory.

(02:01:01):

And when we look throughout our facility, there are some limited supply positions in there. I've talked a little bit about bottlenecks in the past, where we've put in some very discreet pieces of capital. The Mexico facility is a great example that gives us testing and finishing and inspection assets that allow us to flow more of that material. We're still making those changes as well as some of just the fundamental blocking, tackling around standard work and process improvement, improving yields, increasing equipment reliability. We've had significant improvements in those. And so we're seeing that, you're seeing that in our results now. It's coming through. That's going to continue to gain momentum as we layer upon that, those additional initiatives, but you're thinking about it right. It starts to accelerate as that new assets really come online, and we get the full benefit of those.

Rob Foster (02:01:54):

Yeah. And in terms of the price-volume mix, the pricing opportunities, I can also let Marty take a shot at adding some price, because to your point, I do think there's continued pricing opportunities throughout the next three-year period. And in terms of the elevation focus areas, I talked about really those three areas of the supply chain, which gets back to the question earlier about the cash, and how are we going

to drive that cash generation with better inventory SYOP processes and planning and execution across the enterprise? And then I talked about the operational side of it, which was really those focused areas within scrap, yield. Because if you think about it, if you can unlock the scrap, the yield, the process flow efficiencies, you're creating incremental capacity on your already-existing assets. So when we think about elevation, it covers a wide variety of the functional areas, but the focus areas with supply chain and those operational improvement areas are what we're going to be leaning on to unlock additional capacity.

Moderator (02:03:02):

And we have time for one more question, and I'm going to take this one online. I think the person submitted it six times in a row here.

Kimberly Fields (02:03:10):

Hopefully it's none of you.

Moderator (02:03:13):

Yeah. The question is about long-term agreements, and why they seem to be your preferred approach over time.

Marty (02:03:21):

Want me to take that?

Kimberly Fields (02:03:21):

Marty, I'll let you take that. Yeah.

Marty (02:03:23):

Okay. So our long-term agreements, we've talked about before, is we get into these agreements, and it provides our customer with the security of supply. And when we do that, we also get the security of demand. And so we get this long-term demand profile. We also get to work with them on technology. LTAs are a great partnership in the sense that when you grow with your customer, they trust you, you're developing technology, you're working on problems all the time, and so you have this kind of connectivity. And so when we think about that future generation, the next, next generation, those are the opportunities that we see, and we're having those conversations.

(02:04:08):

So that's a key area of the LTA, but from just a maintenance standpoint, when we think about our LTAs, and I mentioned it earlier that our customers continue to push us in different ways to help them secure the supply chain, drive technology, improve the performance of their products. And even within these LTAs, that's where we work with them, and do that, and gives us that opportunity to continue to value ourselves there to monetize it. And so at the end of the day, LTAs are a significant strategic approach for us.

Kimberly Fields (02:04:44):

Great. Awesome. Well, so before everybody ends up going and leaving, I just want to recap on a couple of things here. First, we met our 2027 targets one year early; second, we've got more than 1,000 basis points of improvement since we set these targets, since 2021; and our total shareholder returns have

been 2X our A&D peer benchmarks. We've transformed ATI into a strong company with differentiated capabilities, and we are now accelerating. This acceleration is going to be driven by three things. One is extending that differentiated lead. We've talked about it. One of three, one of two, the only. We're going to expand our capabilities and our share and growth in those four areas, our advanced nickel super alloys, our premium-quality titanium, our zirconium and hafnium, and our isothermal forgings. Not only do we have tremendous capabilities, but we're investing to continue to grow with customer demand.

(02:06:03):

Second, we're going to grow in these incredible markets where the barriers to entry are high and our partnerships run very deep and very long. We're converting that demand into execution, bottom line performance. As we shared, we are on a path to be a $7 billion company by 2029. Margins in the high 20s to low 30%, and we're going to double our free cash flow from the free cash flow we're generating this year in 2026. And we're going to return that value to all of you, our shareholders, in the form of share repurchases. We're focused, we're accelerating, we're proven to perform. Thank you all for coming. I appreciate your interest. Travel safe.