ATI

Third Quarter 2019 Earnings Presentation

October 31, 2019

Relentless Innovation®

Forward Looking Statements

This presentation contains forward-looking statements. Actual results may differ materially from results anticipated in the forward-looking statements due to various known and unknown risks, many of which we are unable to predict or control. These and additional risk factors are described from time to time in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2018.

Third Quarter 2019 Highlights

$M (excl. EPS)	Q3 2019	Q3 2018	% Chg.
Revenue	$1,018.7	$1,020.2	-
Revenue (excl. divestitures)	$1,011.1	$970.7	+4%
Segment Operating Profit	$99.2	$105.5	(6%)
Segment Operating Profit Margin	9.7%	10.3%	(60 b.p.)
Net Income*	$111.0	$50.5	+120%
Net Income * (ex. special items)	$44.9	$50.5	(11%)
EPS	$0.78	$0.37	+111%
EPS (ex. special items)	$0.33	$0.37	(11%)

*Attributable to ATI

<u>Revenue Growth of 4% Excluding Divested Businesses</u>

- Ongoing solid demand growth for our high-value products in key end-markets

<u>Net Income Expansion Driven by Asset Sales</u>

- Completed previously announced titanium investment castings and oil & gas rights sales
- HPMC segment operating profit increased; FRP declined vs. stronger prior year period

<u>Progress on Strategic Initiatives</u>

- Finalized third pension annuitization action; reduced plan participation by 1,800 people
- Extended and upsized our asset-based lending agreement through September 2024
- Extended LTA with BWX Technologies; progressing on several aerospace LTA extensions

ATI

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

Five Strategic Imperatives Drive Our Focus

- **Execute aerospace production ramp**

- **Sustainable profitability in Flat Rolled Products**

- **Continue to improve the balance sheet**

- **Create the foundation for future competitiveness and growth**

- **Expand our competitive moat**

ATI

High Performance Materials & Components

Segment ($M)	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q3 '19 YOY
Revenue	$591.9	$585.5	$596.1	$601.2	$642.4	$551.7	(6%)
Revenue (ex. divestitures)	$545.2	$536.0	$548.2	$553.6	$602.3	$544.1	+2%
Operating Profit	$97.9	$76.0	$76.0	$72.6	$98.9	$78.8	+4%
% of Sales	16.5%	13.0%	12.7%	12.1%	15.4%	14.3%	+130 b.p.

<u>Third Quarter vs. Prior Year</u>

- Revenue increased 2% excluding divested businesses; in line with expectations
  - Increased hot die and legacy forging volumes
- Operating profit improvement
  - Contribution from higher forging volumes
  - Weaker product mix within aerospace-related specialty alloys portfolio

<u>Third Quarter vs. Second Quarter</u>

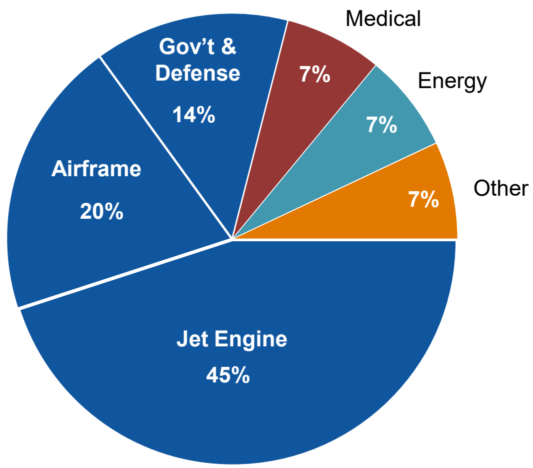
- Revenue decreased excluding divested businesses
  - Lower business activity due to normal business seasonality and reduced iso-thermal forging volumes
- Operating profit declined
  - Seasonal volume and forging declines; planned annual maintenance expenses
  - Lower jet engine material and component sales due to customer inventory management actions

ATI

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

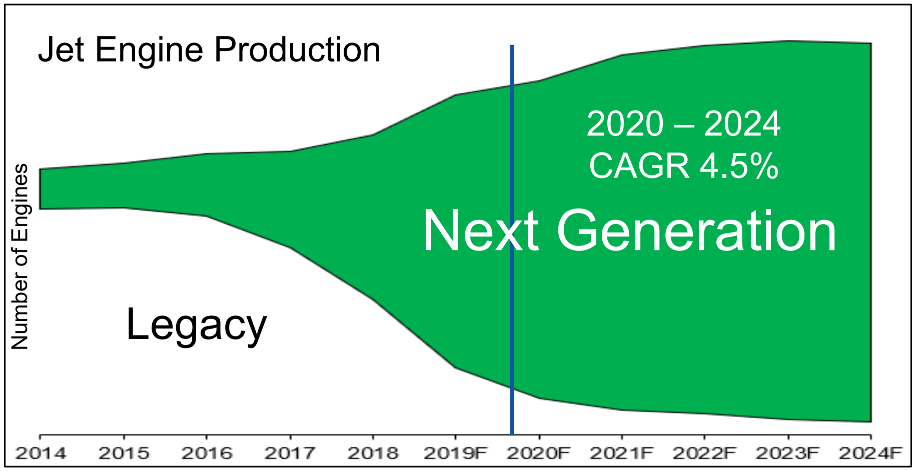
High Performance Materials & Components
Revenue by Market

Q3 2019 Revenue (excluding divestitures)



Q3 2019 YOY Revenue Change by Market (excluding divestitures)			
Jet Engine	*-3%*	*Medical*	*-15%*
Airframe	*+5%*	*Energy*	*+18%*
Gov't & Defense	*+28%*		
Aerospace & Defense	*+4%*		
HPMC Segment +2% (excluding divestitures)			

Aerospace & Defense



Source: ATI Market Outlook, Airline Monitor, Forecast International

Jet Engine YOY

- Next generation: 49% of total jet engine product sales; in line with Q3'18 (adjusted for business divestitures)
- Temporary demand decline due to customer cash management actions

Airframe YOY

- Ongoing demand increases building on strong prior year growth

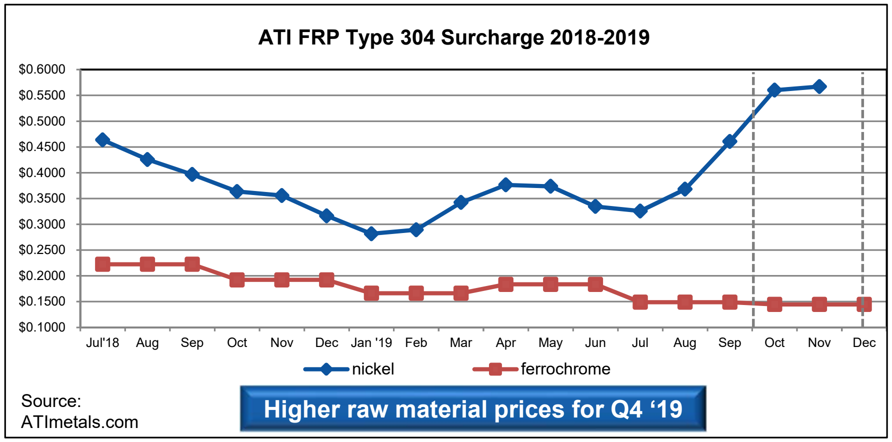
Government & Defense YOY

- Growth across all major platforms incl. naval, jet engine, and rotorcraft

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

Flat Rolled Products

Segment ($M)	Q2'18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q3 '19 vs. Q2 '19
Revenue	$417.6	$434.7	$441.8	$403.6	$438.0	$467.0	+7%
Operating Profit / (Loss)	$26.1	$29.5	$11.3	$(10.9)	$15.6	$20.4	+31%
% of Sales	6.3%	6.8%	2.6%	(2.7)%	3.6%	4.4%	+80 b.p.



<u>Third Quarter vs. Prior Year</u>

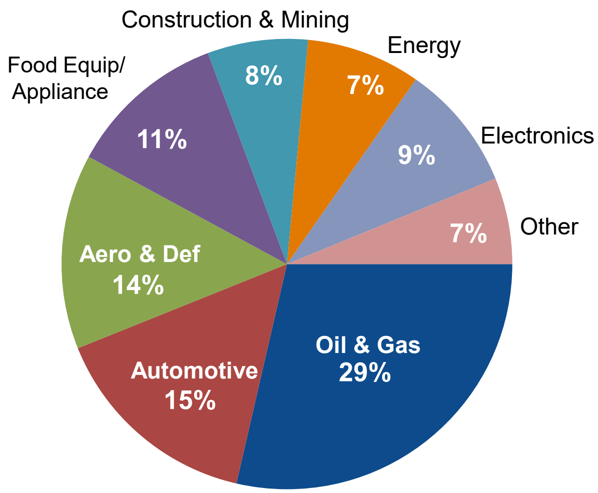
- Revenue higher by 7%
  - Increased volume of high-value products; STAL JV growth
- Operating profit decline vs. stronger prior year period
  - High-value product sales growth; lower standard stainless volumes
  - Increased retirement benefit expense ($6M)
  - A&T Stainless JV: increased tariff impact; lower sales volumes ($2M)
  - Less raw material benefits in Q3'19

<u>Third Quarter vs. Second Quarter</u>

- Revenue increased 7%
  - Increased sales of high-value products; STAL JV growth
- Operating profit up 31% driving margin improvement
  - Improved product mix led by increased titanium and nickel alloy product volumes
  - Increased STAL JV volumes for consumer electronics and non-China demand
  - Limited raw material benefit; higher nickel prices mostly offset by lower ferrochrome prices

Flat Rolled Products
Revenue by Market & Product

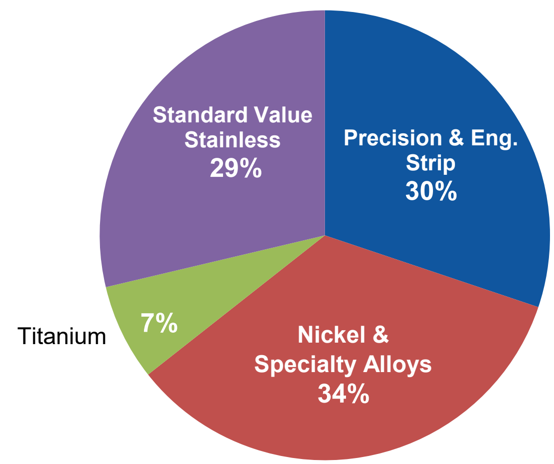
Q3 2019 Revenue by Market



Q3 2019 YOY Revenue Change by Market			
Oil & Gas	+21%	*Const. & Mining*	-4%
Automotive	-14%	*Energy*	*+15%*
Aero & Defense	+25%	*Electronics*	+6%
Food Equip & Appl.	-9%		

Significant growth in key end-markets

Q3 2019 Revenue by Product



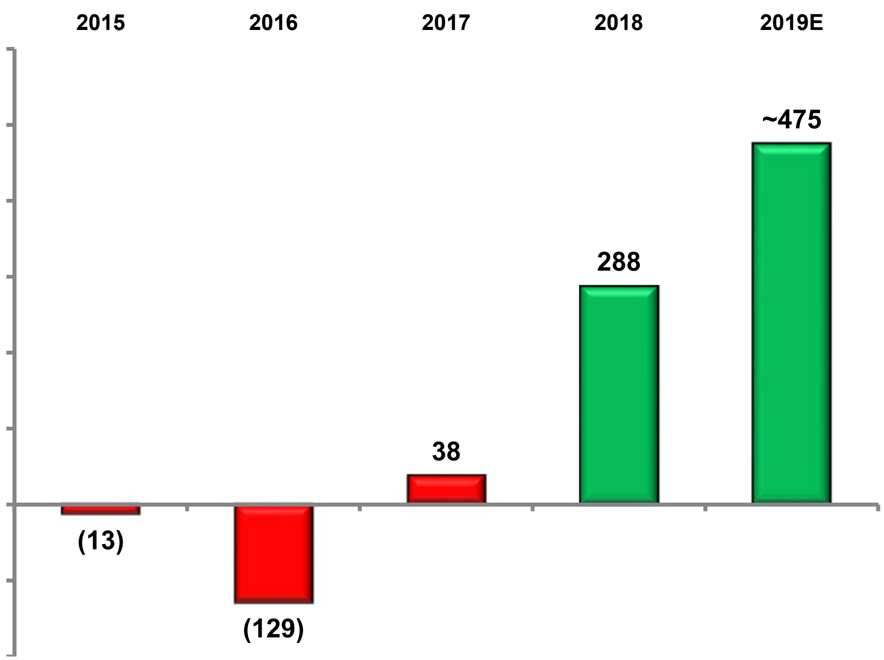
Q3 2019 YOY Revenue Change by Product			
Precision & Eng. Strip	-7%	*Standard Value Stainless*	*-12%*
Nickel & Spec. Alloys	+26%		
Titanium Products	120%		

High-value product sales up 13% YOY

Financial Update

Free Cash Flow

$ millions



Increased 2019 free cash flow guidance by $55M

Balance Sheet and Cash Flow

- Cash and liquidity at 9/30/2019
  - $511 million cash on hand
- Extended ABL agreement through September 2024
  - Upsized by $100M; $500M total capacity
  - ~$460 million available on ABL w/ no outstanding borrowings
- Cash provided by operations for Q3 2019 was $94 million
  - Managed working capital (% sales) lower by ~280 b.p. YOY
- Q3 2019 capital expenditures of $47 million
  - 2019 YTD: $98 million
- Completed previously announced strategic actions
  - Titanium investment castings sale
  - Phase 2 oil and gas rights sale
  - Pension annuitization to reduce ~1,800 participants
- Further balance sheet actions likely in upcoming quarters
- 2019 FY free cash flow expected to be $475M
  - Improvements in managed working capital

ATI

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

Financial Performance Outlook

High Performance Materials & Components Segment

- Q4 2018 business divestiture adjustments
  - Reduce revenue by $48 million
- Q4 2019 outlook vs. adjusted prior year
  - Revenue increases by a mid-single digit percentage YOY
  - Operating profit margin improvement of ~210 b.p. YOY

Flat Rolled Products Segment

- Q4 2019 results
  - Revenue declines by a mid-single digit percentage vs. Q3 2019
    - Lower nickel alloy sales due to completion of pipeline project
    - Year-end customer inventory management affecting order patterns
  - Operating profit declines $9 million to $13 million vs. Q3 2019
    - Lower high-value product volumes; unfavorable cost absorption due to lower standard value product sales
    - More than offsetting benefits from higher raw material prices

Other Items

- Expected release of tax valuation allowance in Q4 2019 of $25 million to $35 million
- Potential net negative change in LIFO / NRV inventory reserves due to higher raw material costs of $0 to $5 million

ATI

Third Quarter 2019 Earnings Presentation

Q & A

Relentless Innovation®

Additional Materials Appendix

ATI

Non-GAAP Financial Measures

Allegheny Technologies Incorporated and Subsidiaries
Non-GAAP Financial Measures
(Unaudited, dollars in millions, except per share amounts)

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, management believes that certain non-GAAP financial measures, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. The following table provides the calculation of the non-GAAP financial measures discussed in the Company's earnings release on October 31, 2019:

		Three Months Ended September 30 2019
Net income attributable to ATI	$	111.0
Adjust for special items:		
Gain on sale of oil & gas rights (a)	$	(60.5)
Loss on sale of industrial forgings business (b)		0.4
Gain on sale of cast products business (c)		(6.0)
Net income attributable to ATI excluding special items	$	44.9

		Per Diluted Share *
Net income attributable to ATI	$	0.78
Adjust for special items:		
Gain on sale of oil & gas rights	$	(0.41)
Loss on sale of industrial forgings business		-
Gain on sale of cast products business		(0.04)
Net income attributable to ATI excluding special items	$	0.33

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

(a) Third quarter 2019 results include a $62.4 million pre-tax gain on the sale of oil & gas rights in New Mexico.
(b) Third quarter 2019 results include a $0.4 million pre-tax loss on the sale of the industrial forgings business related to the final working capital adjustment.
(c) Third quarter 2019 results include a $6.2 million pre-tax net gain on the sale of the cast products business, which includes a $10.2 million write-down of the carry value of long-lived assets of the retained Salem operations.

Non-GAAP Financial Measures

Free Cash Flow

($ in millions)	For the Years Ended December 31, 2015	2016	2017	2018
Cash provided by (used in) operating activities	$ 131.4	$ (43.7)	$ 22.4	$ 392.8
Cash used in investing activities	(145.1)	(200.0)	(119.6)	(145.1)
Add back: cash contributions to ATI Pension Plan	0.3	115.0	135.0	40.4
Free Cash Flow as defined	$ (13.4)	$ (128.7)	$ 37.8	$ 288.1

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

Adjusted Sales Information

($ in millions)	Reported	Industrial Forgings and Cast Products Businesses	Adjusted
Total ATI Sales- Q3 2019	$ 1,018.7	$ (7.6)	$ 1,011.1
Total ATI Sales- Q3 2018	1,020.2	(49.5)	970.7
Percentage Change	-0.1%		4.2%
HPMC Sales- Q2 2018	$ 591.9	$ (46.7)	$ 545.2
HPMC Sales- Q4 2018	$ 596.1	$ (47.9)	$ 548.2
HPMC Sales- Q1 2019	$ 601.2	$ (47.6)	$ 553.6
HPMC Sales- Q2 2019	$ 642.4	$ (40.1)	$ 602.3
HPMC Sales- Q3 2019	$ 551.7	$ (7.6)	$ 544.1
HPMC Sales- Q3 2018	585.5	(49.5)	536.0
Percentage Change	-5.8%		1.5%
HPMC Commercial Jet Engine Sales- Q3 2019	$ 247.9	$ (5.0)	$ 242.9
HPMC Commercial Jet Engine Sales- Q3 2018	270.1	(19.2)	250.9
Percentage of Total HPMC Segment Sales	45%		45%
Percentage Change	-8.2%		-3.2%
HPMC Commercial Airframe Sales- Q3 2019	$ 111.7	$ (1.5)	$ 110.2
HPMC Commercial Airframe Sales- Q3 2018	112.1	(7.5)	104.6
Percentage of Total HPMC Segment Sales	20%		20%
Percentage Change	-0.4%		5.4%

ATI

Non-GAAP Financial Measures

		Reported		Industrial Forgings and Cast Products Businesses		Adjusted
HPMC Government & Defense Sales- Q3 2019	$	78.3	$	(0.9)	$	77.4
HPMC Government & Defense Sales- Q3 2018		64.3		(3.7)		60.6
Percentage of Total HPMC Segment Sales		14%				14%
Percentage Change		21.8%				27.7%
HPMC Aerospace & Defense Markets Sales- Q3 2019	$	437.9	$	(7.4)	$	430.5
HPMC Aerospace & Defense Markets Sales- Q3 2018		446.5		(30.4)		416.1
Percentage Change		-1.9%				3.5%
Next Generation Jet Engine Product Sales- Q3 2019	$	133.7	$	(4.4)	$	129.3
HPMC Jet Engine Product Sales- Q3 2019		268.9		(5.9)		263.0
Percentage of Total HPMC Segment Sales		49.7%				49.2%
Next Generation Jet Engine Product Sales- Q2 2019	$	183.6	$	(32.7)	$	150.9
HPMC Jet Engine Product Sales- Q2 2019		311.4		(23.4)		288.0
Percentage of Total HPMC Segment Sales		59.0%				52.4%

Adjusted Sales metrics are non-GAAP measures that exclude the impacts of divestitures. These measures are utilized by management to evaluate underlying business trends of the ongoing businesses.