ATI

Fourth Quarter & Full Year 2021 Earnings

February 2, 2022

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, 2020.

Key Takeaways

Performance

Aerospace recovery accelerates and broadens; SRP business transformation benefits

- Jet engine recovery velocity increases
    - Revenues: +19% vs. Q3’21; +85% vs. Q4’20
- HPMC saw broadening aerospace recovery in materials, continued strength in forgings; EBITDA margins above 19% for first time since Q3’19
- AA&S results exceeded expectations as business transformation benefits increase
    - Improved product mix and pricing

Balance Sheet

Significant pension plan funding improvement; large Q4 working capital release

- Defined benefit pension plan funding of 84%, improving 900 basis points YoY
    - $278M, or 41%, liability decrease YoY
    - Lower 2022 retirement benefit expense
    - No required 2022 cash contributions
- Q4 free cash generation of cash over $230M
- Healthy cash and available liquidity over $1B including nearly $690M of cash

Strategic Progress

Transforming AA&S segment to focus on high-value materials and markets

- Strategic transformation of Specialty Rolled Products business progressing on plan
    - Specialty finishing upgrades completed at Vandergrift, PA facility
    - In Q1’22, sold Pico Rivera, CA facility to a current customer
- In Q1, announced Board approval to repurchase up to $150M of stock

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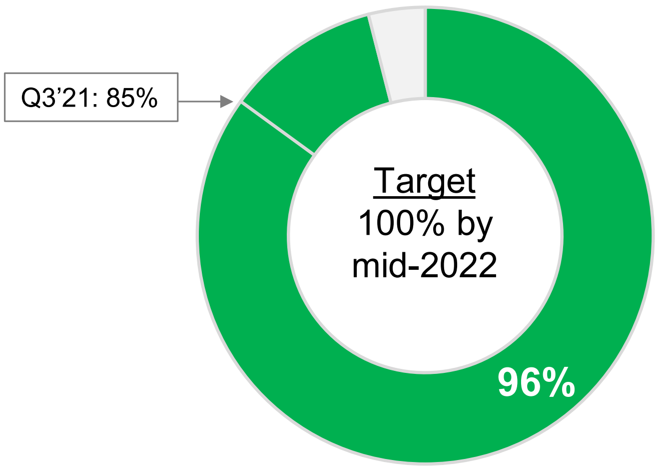
Strategic Transformation Progress

Tracking the leading indicators of success

Improved Product Mix

(Q4 2021)



Metric: high value products % sales within AA&S segment

Streamlined Footprint

Metric: facilities closed within AA&S segment

Substantial Segment Margin Improvement and Higher Return on Capital Over Time

* excl. bright anneal dept. which is req'd to operate until new capability investment is complete in Vandegrift, PA

ATI Strategic Markets & Diversified Applications

Market	Q4 '21 Revenue	Vs. Q3 '21	Vs. Q4 '20	Near-term Market Outlook	Comments
Jet Engine	$153M	+19%	+85%		• Broadening Q4 growth to include materials and high-value flat products. Consistently strong forgings demand. Narrowbody engines, led by LEAP, outpacing widebody. • Expect continued forgings and materials growth in 2022 to support ongoing narrowbody production ramp and market share gains.
Airframe	$79M	+10%	inline		• Large commercial space forgings order offsetting continued weak commercial airframe. • Flat demand outlook in 2022 due to low wide body production rates, including current low 787 levels. Ramp up of 2021 contract with Euro airframe OEM partially mitigates impact.
Defense	$83M	inline	(13%)		• Inline sequentially as higher military jet engine volumes were offset by lower rotorcraft and naval nuclear sales. Compared to prior year, decline driven by comparison to strong naval nuclear volumes and sale of Flowform business. • Anticipate 2022 demand growth in armor and defense aviation applications. • Strong hypersonics position as development activities intensify.
Energy	$158M	(5%)	+5%		• Strong oil & gas sales led by completion of large offshore pipeline project and increased industry activity with elevated oil prices. • Positive near-term outlook for oil & gas; more muted near-term expectations for specialty energy. Long-term opportunities in conversion to more sustainable energy sources.
Medical	$36M	+6%	+55%		• Q4 demand increase for bioimplant and MRI materials, higher elective medical procedure volumes, and customer inventory restocking. • Continued growth expected in MRI materials.as markets recover and inventories are replenished, biomedical impacted short-term by resurgent COVID cases in hospitals.
Electronics	$60M	+6%	+1%		• Continued strong volumes supported by new consumer models. • Expect sustained solid market demand; first quarter tempered by Lunar New Year holiday

Fourth Quarter 2021 Financial Results

Strong YOY incremental margins in both segments

$M (excl. EPS)	Q4 2021	Q3 2021	*% Chg.*	Q4 2020	*% Chg.*
Revenue	$765	$726	*6%*	$658	*16%*
HPMC Segment	*$314*	*$300*	*5%*	*$222*	*41%*
AA&S Segment	*$452*	*$426*	*6%*	*$436*	*4%*
Segment EBITDA	$110	$94	*17%*	$37	*197%*
HPMC Segment	*$61*	*$37*	*62%*	*$8*	*709%*
AA&S Segment	*$49*	*$57*	*(13%)*	*$30*	*67%*
Adj. EBITDA (ex. special items)	$95	$80	*19%*	$23	*312%*
EPS*	($0.23)	$0.35	*NM*	($8.85)	*NM*
Adj. EPS* (ex. special items)	$0.25	$0.05	*400%*	($0.33)	*NM*

notes: strike-related costs removed from Q3'21 segment EBITDA figures
totals may not add due to rounding

HPMC Segment

Expanding commercial aerospace recovery driving sequential and year-over-year improvements

- Revenue: Sequential growth in jet engine forgings and materials offset by lower specialty energy material sales in Asia. A large commercial space order offset modestly lower defense and airframe sales. Year-over-year sales increased significantly led by commercial jet engine materials and forgings.
- EBITDA: Significant sequential increase driven by higher volumes and improved mix from higher jet engine product sales. Robust year-over-year growth related to increased volumes in most end-markets and benefits from increased operating levels and cost actions.

AA&S Segment

Strong demand continues, transformation benefits increasing

- Revenue: Continued demand growth in Specialty Rolled Products (SRP) vs. both prior periods. Increases largely driven by high-value product sales to aerospace and energy markets.
- EBITDA: Increased sequential volumes and favorable mix due to electronics sales offset by planned SRP facility outage and slightly lower earnings at our Asian precision rolled strip business. Compared to Q4 '20, higher sales volumes, improved cost structures and product mix gains related to the exit of standard stainless drove increased earnings.

*Attributable to ATI

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

Full Year 2021 Financial Results

Sales and Earnings run rate building across the year

$M (excl. EPS)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	*% Chg. vs PY*
Revenue	$693	$616	$726	$765	$2,800	*(6%)*
HPMC Segment	*$241*	*$301*	*$300*	*$314*	*$1,155*	*(1%)*
AA&S Segment	*$452*	*$316*	*$426*	*$452*	*$1,645*	*(10%)*
Segment EBITDA	$74	$73	$94	$110	$352	*44%*
HPMC Segment	*$25*	*$37*	*$37*	*$61*	*$160*	*23%*
AA&S Segment	*$50*	*$36*	*$57*	*$49*	*$192*	*67%*
Adj. EBITDA (ex. special items)	$63	$54	$80	$95	$291	*48%*
EPS*	($0.06)	($0.39)	$0.35	($0.23)	($0.30)**	*NM*
Adj. EPS* (ex. special items)	($0.06)	($0.12)	$0.05	$0.25	$0.13	*NM*

notes: strike-related costs removed from Q2 and Q3'21 segment EBITDA figures
totals may not add due to rounding

HPMC Segment

Accelerating commercial aerospace recovery, disciplined cost management

- Revenue: Building momentum in commercial aerospace, year-over-year growth in all other markets.
- EBITDA: Increased earnings as jet engine product sales accelerated in H2'21. Benefitted from sustained cost structure discipline, improved pricing and product mix improvements that were partially related to jet engine share gains.

AA&S Segment

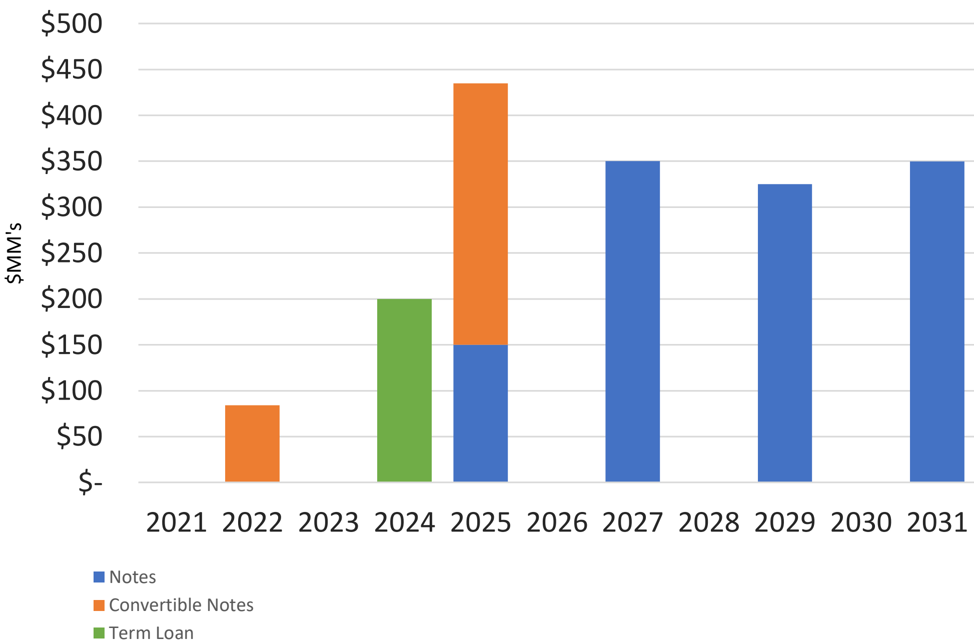
Growing post-strike momentum and transformation benefits

- Revenue: H2'21 recovery and acceleration of high-value product sales across a variety of markets, including aerospace, defense, energy and electronics.
- EBITDA: Tangible results from SRP transformation to exit standard stainless sheet products driven by improved mix, pricing, and cost savings. Beyond SRP, richer mix from newer products support margin expansion.

*Attributable to ATI
**FY'21 EPS doesn't add across due to the convertible bonds that were dilutive in Q3
note: see appendix for reconciliation of non-GAAP financial measures

Cash and Liquidity Update

Adj. Net Debt/Adj. EBITDA(1) Ratio: 4.0x(2)



(1) EBITDA based on LTM Q4'21 financials as adjusted for special items
(2) See appendix for definition and reconciliations to the nearest GAAP measure

Balance Sheet and Cash Flow

Cash and liquidity at year-end 2021

- **Liquidity over $1 billion, including $688 million cash on hand**
- Managed working capital – Q4 performance
  - 37.5% of sales; improved ~750 bp vs. Q3' 21
  - Increased inventory efficiency as aero ramp accelerates
- Q4 Free Cash Flow(2) generation of $232 million
  - Capital expenditures of $48 million

Capital structure

- **Strong balance sheet and liquidity allow for balanced capital allocation approach**
  - Fund growth
  - Reduce debt and pension obligations
  - Potential for opportunistic shareholder return
- Significantly improved U.S. pension funded status to 84%, up 900 basis points from year-end 2020
- In Q1'22, Board approved stock repurchase up to $150M
- Adj. net debt ratio of 4.0x(2)
  - Decreased from 6.3x in Q3'21 which included 2023 Notes redemption

First Quarter and Full Year 2022 Outlook

First Quarter 2022

Adj. EPS[1]

$0.18 – $0.26

Full Year 2022

Adj. EPS[1]	FCF[2]
$0.85 - $1.05	> $60 million

Key Assumptions

Initial Earnings Drivers

- ✓ Jet engine-driven aerospace demand ramp across 2022
  - ✓ Narrow body production increases
  - ✓ Flat YOY airframe market
- ✓ No significant new pandemic-related market disruptions
- ✓ 2022 SRP transformation cost savings: ~$15 - $20 million
- ✓ 2022 cash taxes paid: $15 - $20 million
- ✓ Retirement benefit expense: ~$40 million
- ✓ Interest expense: ~$92 million

Initial Cash Flow Drivers

- ✓ Capex in the range of $210 - $225 million
- ✓ No required 2022 U.S. pension contributions;
  - ✓ Potential for ~$50 million voluntary contribution
- ✓ Managed working capital: modest use of cash FY '22

[1] Assumes fully diluted share count of 152.8 million
[2] See appendix for reconciliation of non-GAAP financial measures

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Additional Materials Appendix

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 February 2, 2022:

	Three Months Ended				Fiscal Year Ended
	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2020	December 31, 2021
Net income (loss) attributable to ATI	$ (49.2)	$ 48.7	$ (29.8)	$ (1,121.0)	$ (38.2)
Adjust for special items, pre-tax:					
Strike related costs (a)	40.3	22.9	-	-	63.2
Restructuring and other charges (credits) (b)	(6.2)	(2.3)	(2.0)	1,105.1	(10.5)
Retirement benefit settlement gain (c)	-	(64.9)	-	-	(64.9)
Gain on sale of business (d)	-	(13.7)	(0.1)	-	(13.8)
Debt extinguishment charge (e)	-	-	65.5	-	65.5
Total pre-tax adjustments	34.1	(58.0)	63.4	1,105.1	39.5
Net change in deferred taxes and valuation allowance (f)	-	-	-	(26.0)	-
Income tax on pre-tax adjustments for special items	-	15.5	-	-	15.5
Net income (loss) attributable to ATI excluding special items	$ (15.1)	$ 6.2	$ 33.6	$ (41.9)	$ 16.8

Non-GAAP Financial Measures

	Three Months Ended								Fiscal Year Ended	
	June 30, 2021		September 30, 2021		December 31, 2021		December 31, 2020		December 31, 2021	
	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
Numerator for Basic net income (loss) per common share -										
Net income (loss) attributable to ATI	$ (49.2)	$ (15.1)	$ 48.7	$ 6.2	$ (29.8)	$ 33.6	$ (1,121.0)	$ (41.9)	$ (38.2)	$ 16.8
Effect of dilutive securities	-	-	4.0	-	-	4.0	-	-	-	-
Numerator for Diluted net income (loss) per common share -										
Net income (loss) attributable to ATI after assumed conversions	$ (49.2)	$ (15.1)	$ 52.7	$ 6.2	$ (29.8)	$ 37.6	$ (1,121.0)	$ (41.9)	$ (38.2)	$ 16.8
Denominator for Basic net income (loss) per common share -										
Weighted average shares outstanding	127.1	127.1	127.2	127.2	127.2	127.2	126.6	126.6	127.1	127.1
Effect of dilutive securities	-	-	25.4	0.8	-	25.5	-	-	-	0.9
Denominator for Diluted net income (loss) per common share -										
Adjusted weighted average shares assuming conversions	127.1	127.1	152.6	128.0	127.2	152.7	126.6	126.6	127.1	128.0
Diluted net income (loss) attributable to ATI per common share	$ (0.39)	$ (0.12)	$ 0.35	$ 0.05	$ (0.23)	$ 0.25	$ (8.85)	$ (0.33)	$ (0.30)	$ 0.13

Non-GAAP Financial Measures

	Three Months Ended					Fiscal Year Ended	Latest Twelve Months
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2020	December 31, 2021	September 30, 2021
Net income (loss)	$ (2.4)	$ (44.4)	$ 55.2	$ (24.6)	$ (1,116.3)	$ (16.2)	$ (1,107.9)
(+) Depreciation and Amortization	36.1	36.3	35.6	35.9	35.0	143.9	143.0
(+) Interest Expense	23.4	23.7	25.1	24.7	25.7	96.9	97.9
(+/-) Income Tax Provision (Benefit)	5.5	4.0	22.0	(4.7)	(26.5)	26.8	5.0
(+) Strike related costs (a)	-	40.3	22.9	-	-	63.2	63.2
(+/-) Restructuring and other charges (credits) (b)	-	(6.2)	(2.3)	(2.0)	1,105.1	(10.5)	1,096.6
(-) Retirement benefit settlement gain (c)	-	-	(64.9)	-	-	(64.9)	(64.9)
(+) Gain on sale of business (d)	-	-	(13.7)	(0.1)	-	(13.8)	(13.7)
(+) Debt extinguishment charge (e)	-	-	-	65.5	-	65.5	-
Total ATI Adjusted EBITDA	$ 62.6	$ 53.7	$ 79.9	$ 94.7	$ 23.0	$ 290.9	$ 219.2
Corporate expenses	12.2	15.9	12.9	14.9	11.2	55.9	
Closed operations and other expense (income)	(0.5)	3.6	1.4	0.3	2.8	4.8	
Total segment EBITDA	$ 74.3	$ 73.2	$ 94.2	$ 109.9	$ 37.0	$ 351.6	
Total debt (g)						$ 1,863.7	$ 2,313.3
2023 Notes redemption (h)						-	(500.0)
Adjusted total debt						$ 1,863.7	$ 1,813.3
Cash						$ (687.7)	$ (1,006.8)
Cash used for 2023 Notes redemption (h)						-	570.9
Adjusted cash						$ (687.7)	$ (435.9)
Adjusted Net Debt (Adjusted total debt less adjusted cash)						$ 1,176.0	$ 1,377.4
Adjusted Net Debt to Adjusted EBITDA						4.04	6.28

Non-GAAP Financial Measures

(a) Third quarter 2021, second quarter 2021, the latest twelve months ended September 30, 2021 and fiscal year ended December 31, 2021 results include $22.9 million, $40.3 million, $63.2 million and $63.2 million, respectively, of pre-tax strike related costs primarily consisting of overhead costs recognized in the period due to below-normal operating rates, higher costs for outside conversion activities, and signing bonuses for represented employees.

(b) Fourth quarter 2021, third quarter 2021, second quarter 2021 and fiscal year ended December 31, 2021 results include $2.0 million, $2.3 million, $6.2 million and $10.5 million, respectively, of pre-tax net credits for restructuring charges, primarily related to lowered severance-related reserves based on changes in planned operating rates and revised workforce reduction estimates. Fourth quarter 2020 results include $1,105.1 million in pre-tax restructuring and other charges, including $1,041.5 of long-lived asset impairment charges primarily related to the AA&S segment's Brackenridge, PA operations, which include the Hot-Rolling and Processing Facility, as well as stainless melting and finishing operations, $33.5 million of severance-related costs for hourly and salary employees, $12.7 million of other costs related to facility idlings including asset retirement obligations and inventory valuation reserves, and $17.4 million in pre-tax charges for termination benefits for pension and postretirement medical obligations related to facility closures. The latest twelve months ended September 30, 2021 results include the second and third quarter 2021 net credits for restructuring totaling $8.5 million and the $1,105.1 million in pre-tax restructuring and other charges for the fourth quarter 2020.

(c) Third quarter 2021, the latest twelve months ended September 30, 2021 and the fiscal year ended December 31, 2021 results include a $64.9 million pre-tax retirement benefit settlement gain associated with the new collective bargaining agreement that was ratified on July 14, 2021 with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied & Industrial Service Workers International Union, AFL-CIO, CLC involving approximately 1,100 active full-time represented employees located primarily within the AA&S segment operations, as well as a number of inactive employees.

(d) Third quarter 2021, fourth quarter 2021, the latest twelve months ended September 30, 2021 and fiscal year ended December 31, 2021 results include a $13.7 million, $0.1 million, $13.7 million and $13.8 million, respectively, pre-tax gain on the sale of its Flowform Products business, which uses flowforming process technologies to produce thin-walled components in net or near-net shapes across multiple alloy systems for use in the aerospace & defense and energy markets.

(e) Fourth quarter 2021 and fiscal year ended December 31, 2021 results include a $65.5 million pre-tax debt extinguishment charge for the redemption of the $500 million, 5.875% Notes due 2023.

(f) Fourth quarter 2020 results include a $26.0 million benefit associated with the fourth quarter tax impacts of the long-lived asset impairments and other restructuring charges.

(g) Excludes debt issuance costs.

(h) On September 14, 2021, ATI issued $325 million aggregate principal amount of 4.875% Senior Notes due 2029 and $350 million aggregate principal amount of 5.125% Senior Notes due 2031. A portion of these proceeds from both of these issuances were used to fund the redemption of all of the $500 million aggregate principal amount outstanding of the 5.875% Senior Notes due 2023 (2023 Notes). A redemption notice for the 2023 Notes was issued on September 14, 2021 indicating that such redemption would occur on October 14, 2021, giving holders the 30 day notice of redemption as required by the indenture. As such, the $500 million of 2023 Notes were redeemed in the fourth quarter 2021 for a total cash cost of $570.9 million, consisting of principal, accrued interest and a $64.5 million cash make-whole payment related to the early extinguishment of the 2023 Notes as required by the applicable indenture. The cash and debt balances as of September 30, 2021 were adjusted to reflect this redemption.

Non-GAAP Financial Measures

Free Cash Flow

	Three Months Ended December 31, 2021
Cash provided by operating activities	$ 260.9
Cash used in investing activities	(28.8)
Add back: cash contributions to U.S. qualified defined pension plans	-
Free Cash Flow as defined	$ 232.1

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.