



ATI Realigns Business Portfolio To Accelerate Profitable Growth

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Leveraging Assets and Expertise to Further Penetrate Core Markets

PITTSBURGH--(BUSINESS WIRE)-- Allegheny Technologies Incorporated (NYSE: ATI) today announced a realignment of its business segments to further enhance its position as a leading specialty materials manufacturer and to accelerate sustainable long-term profitable growth. Starting with first quarter 2020 financial results, ATI will report in two business segments: a streamlined High Performance Materials & Components (HPMC) segment and the new Advanced Alloys & Solutions (AA&S) segment. As a result of this business realignment, the Company expects total annualized operational and commercial synergies of approximately \$7 million by year-end 2021 and \$15 million by year-end 2022.

Additionally, the Company today announced the next step in its proactive cost reduction efforts, building on the previously announced restructuring program, with a voluntary retirement incentive program for eligible salaried employees. In addition to the \$4.5 million restructuring charge taken in the fourth quarter 2019, ATI expects to record a charge of approximately \$8 million in the first quarter 2020 for this voluntary retirement program. Once fully implemented, these combined cost reduction programs will generate annualized benefits of \$14 million.

“We are committed to generating increased shareholder value from our business portfolio and continually evaluate our structure to ensure that we deliver the optimal combination of growth and profitability,” said Robert S. Wetherbee, President and CEO. “ATI is at its best when solving our customers’ most difficult challenges through materials science and our advanced, integrated process technologies. The actions announced today increase our ability to further penetrate strategic end-markets as well as improve our overall cost-competitiveness, particularly for standard stainless sheet products.”

ATI’s re-aligned business segments, HPMC and AA&S, will both meaningfully contribute to ATI’s success, creating shareholder value through enhanced growth opportunities, managed working capital efficiency gains, and cost reductions.

High Performance Materials & Components (HPMC) includes the Specialty Materials and Forged Products business units and will continue to be led by Executive Vice President John Sims. The updated HPMC segment intensifies its primary focus on maximizing aero-engine materials and components growth, with more than 80% of its revenue derived from the aerospace and defense markets. These closely connected businesses will work to further optimize material pull-through; reducing total costs and improving inventory efficiency.

“The segment is well positioned to profitably meet end-market demand growth and execute on market share gains achieved in our recently extended long-term customer agreements,” said Wetherbee.

The HPMC segment includes:

- **Forged Products** Broad range of forging capabilities, including iso-thermal and hot-die, for aerospace & defense and other high-performance applications.
- **Specialty Materials** Broad range of nickel, cobalt, and titanium-based alloy mill products and powders in a variety of forms, including additively produced parts, primarily for aero-engine and airframe applications.

Advanced Alloys & Solutions (AA&S) combines ATI’s Specialty Alloys & Components and Flat Rolled Products businesses, as well as its aerospace-grade titanium plate products, into a single entity focused on delivering high-value flat products primarily to the energy, aerospace, and defense end-markets. AA&S closely aligns superior melting technologies with world-class hot-rolling capabilities to produce products with faster flow times and lower costs, accelerating profitable growth opportunities for customers that demand value-add solutions. The segment is being led by Executive Vice President Kim Fields.

The former Flat Rolled Products business is being divided into two businesses with specific strategies targeted to their discrete objectives. The first, Specialty Rolled Products, is focused on growing its specialty alloys and materials solutions for highly demanding and mission critical applications used in ATI’s core markets. The second, Standard Stainless Sheet Products, is being restructured to organizationally focus on profitably competing in the standard-value stainless sheet marketplace, utilizing a lean structure enabled by proactive cost reduction initiatives. Aligned with ATI’s value-over-volume philosophy, the company continues to analyze options and timing to further de-emphasize the role of standard stainless sheet in its product portfolio.

“By leveraging available capacity across our expanded product portfolio, the AA&S segment expects to gain market share while increasing asset utilization and improving managed working capital levels,” said Wetherbee. “At the same time, reducing the earnings volatility inherent in standard stainless products will increase shareholder value and promote long-term stability for our employees and customers.”

The AA&S segment includes:

Specialty Alloys & Components	Specialty alloys and refractory metals in all conventional product forms including flat and custom shapes.
Specialty Rolled Products	Specialty-grade flat products produced using differentiated process capabilities, including precision rolled strip for the North American market.
Standard Stainless Sheet Products	Standard-grade stainless sheet products for the North American market, including results from the A&T Stainless joint venture.
Other Joint Ventures (results reported in AA&S)	STAL: precision rolled stainless strip products focused on Asian markets Uniti Titanium: commercially pure titanium products for industrial applications worldwide

Solving the World's Challenges through Materials Science

ATI (NYSE: ATI) is a \$4 billion global manufacturer solving the world's most difficult challenges through materials science; advanced, integrated process technologies; and relentlessly innovative people. We serve customers whose demanding applications need to fly higher, dig deeper, stand stronger, and last longer— anywhere on, above, or below the earth. We partner to create new specialty materials in forms that deliver ultimate performance and long-term value in applications like jet engine forgings and 3D-printed aerospace components. We produce powders for forging and additive manufacturing; rolled materials, and finished components. Our specialty materials withstand extremes of temperature, stress and corrosion to improve and protect human lives every day. Learn more at [ATIMetals.com](https://www.atimetals.com).

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