Fourth Quarter and Full Year 2019 Earnings Presentation

Feb. 4, 2020

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.

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

2019 Highlights

$M (excl. EPS)	Q4 2018	Q4 2019	% Chg.		FY 2018	FY 2019	% Chg.
Revenue	$1,037.9	$1,018.6	(2%)		$4,046.6	$4,122.5	+2%
Revenue (ex. divestitures)	$989.9	$1,018.6	+3%		$3,863.8	$4,027.2	+4%
Segment Operating Profit	$87.3	$105.3	+21%		$413.2	$380.7	(8%)
Net Income*	$41.1	$56.5	+37%		$222.4	$257.6	+16%
Net Income* (ex. special items)	$41.1	$50.2	+22%		$207.7	$165.1	(21%)
EPS	$0.30	$0.41	+37%		$1.61	$1.85	+15%
EPS (ex. special items)	$0.30	$0.36	+20%		$1.51	$1.21	(20%)

*Attributable to ATI

Fourth Quarter vs. Prior Year

- Strong EPS growth driven by improved segment operating results
  - Expansion across all HPMC product lines led by forgings
- Revenue growth (ex. divestitures) due to Aerospace & Defense increases in both operating segments

Full Year vs. Prior Year

- Solid revenue growth in Aerospace & Defense; declines in non-strategic end-markets
- Operating profit growth in HPMC segment, offset by FRP segment decline vs. strong prior year
- Increased retirement benefit expense of $36M primarily due to poor 2018 pension asset returns
- **No material impact from 737 MAX grounding**
- Accretive non-core asset sales aided net income improvement

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

High Performance Materials & Components

Segment ($M)		Q4 '18	Q4 '19	'19 O/(U) '18		FY '18	FY '19	'19 O/(U) '18
Revenue		$596.1	$602.8	+1%		$2,334.2	$2,398.1	+3%
Revenue (ex. divestitures)		$548.1	$602.8	+10%		$2,151.4	$2,302.8	+7%
Segment Operating Profit		$76.0	$92.8	+22%		$335.4	$343.1	+2%
% of Revenue		12.7%	15.4%	+270 b.p.		14.4%	14.3%	(10 b.p.)

Fourth Quarter vs. Prior Year

- Double-digit revenue growth (excl. divestitures)
  - Defense and airframe sales increases; tempered by flat jet engine product sales
- Operating profit expansion
  - Operating profit margin expansion led by profitable revenue growth and prior portfolio divestitures
  - Increased operating rates across multiple facilities due to volume growth

Full Year vs. Prior Year

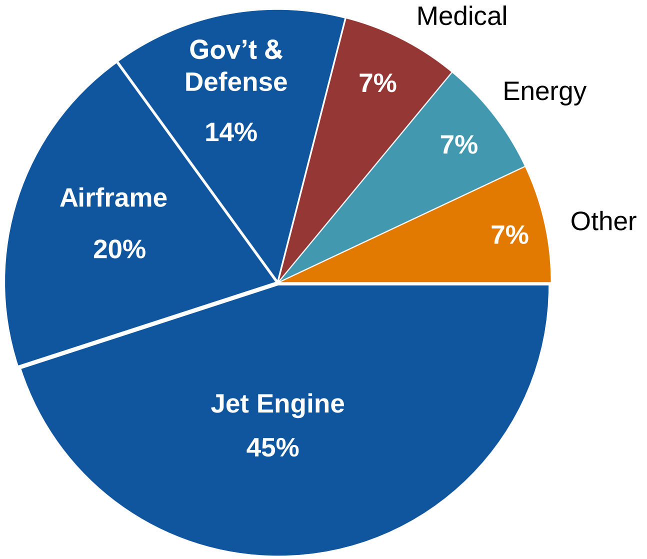
- Solid revenue growth (ex. divestitures) in a challenging industry environment
  - Aerospace & Defense +9%; aggregate improvement in all other markets of +1%
- Operating profit improvement
  - YOY margin expansion rate improved in H2'19

ATI

High Performance Materials & Components

Revenue by Market (excluding divestitures)

2019 Full Year Revenue



2019 YOY Revenue Change by Market			
Jet Engine	*-1%*	*Medical*	*-6%*
Airframe	*+21%*	*Energy*	*+19%*
Gov't & Defense	*+31%*		
Aerospace & Defense	*+9%*		
HPMC Segment +7%			

Aerospace & Defense

Jet Engine YOY

- Next generation: 51% of 2019 jet engine product sales
- Temporary demand decline due to 3rd party billet supply issues and customer management actions

Airframe YOY

- Continued strong demand in Q4 up 14%; building on prior year growth

Government & Defense YOY

- Growth across product lines; led by naval materials and military aerospace

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

Flat Rolled Products

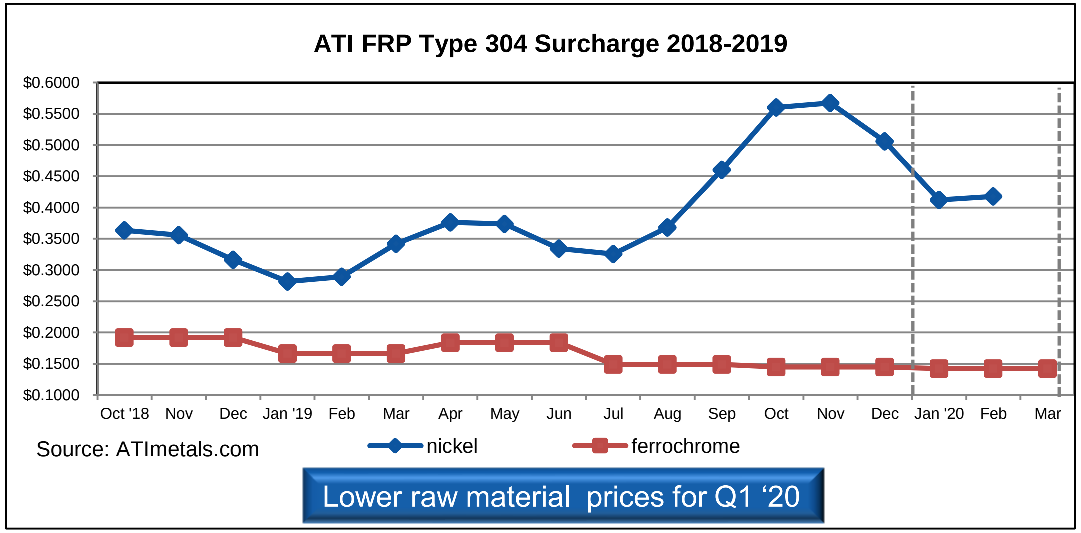
Segment ($M)	Q4 '18	Q4 '19	'19 O/(U) '18		FY '18	FY '19	'19 O/(U) '18
Revenue	$441.8	$415.8	(6%)		$1,712.4	$1,724.4	+1%
Segment Operating Profit	$11.3	$12.5	+11%		$77.8	$37.6	(52%)
% of Revenue	2.6%	3.0%	+40 b.p.		4.5%	2.2%	(230 b.p.)

Fourth Quarter vs. Prior Year

- Revenue declined 6%
  - Growth in Aero & Defense offset by continued soft standard value product demand
  - Decline in Oil & Gas due to large pipeline project in prior year period
- Operating profit improved by 11%
  - Positive raw material benefits; reduced A & T Stainless JV loss

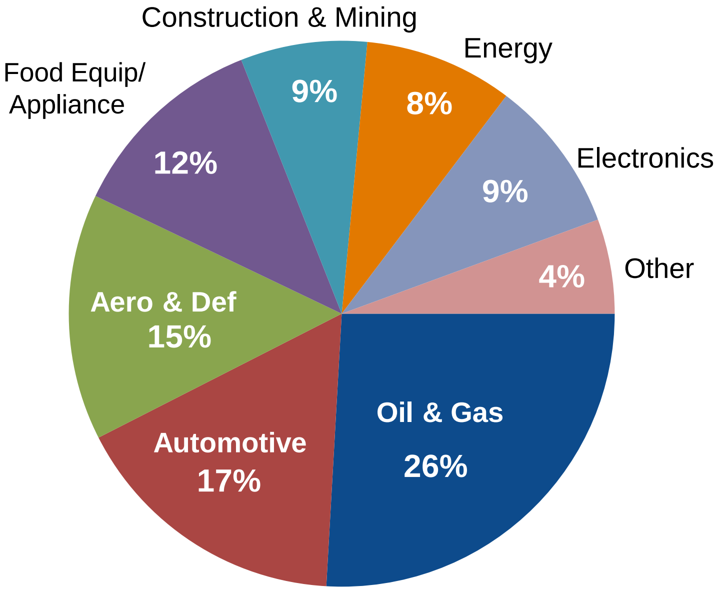
Full Year vs. Prior Year

- Revenue increased 1%
  - Strong growth in several core markets
  - Market-driven declines for standard value products
- Solid profitability for the 3rd straight year
  - Weak Q1'19 results offset by solid H2'19 operating profit
  - Cost inefficiencies due to low standard value product demand



Flat Rolled Products
Revenue by Market & Product

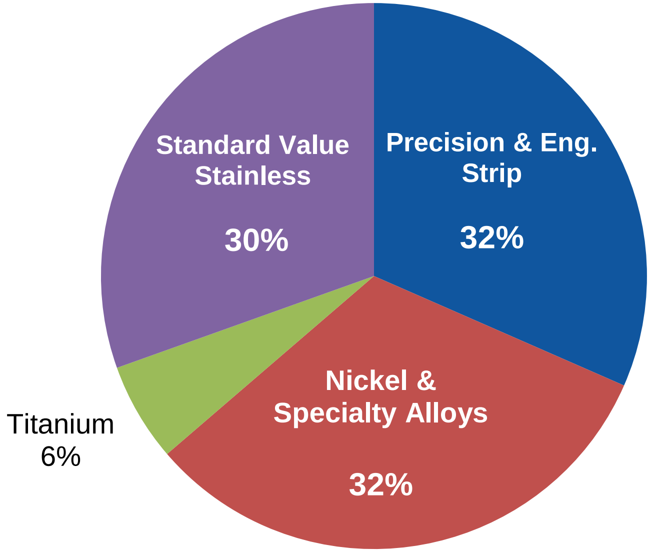
2019 Full Year Revenue by Market



2019 YOY Revenue Change by Market			
Oil & Gas	-5%	*Const. & Mining*	-1%
Automotive	-9%	*Energy*	+25%
Aero & Defense	+30%	*Electronics*	+6%
Food Equip & Appl.	-16%		

Strong growth in key markets; Soft std. value market demand

2019 Full Year Revenue by Product



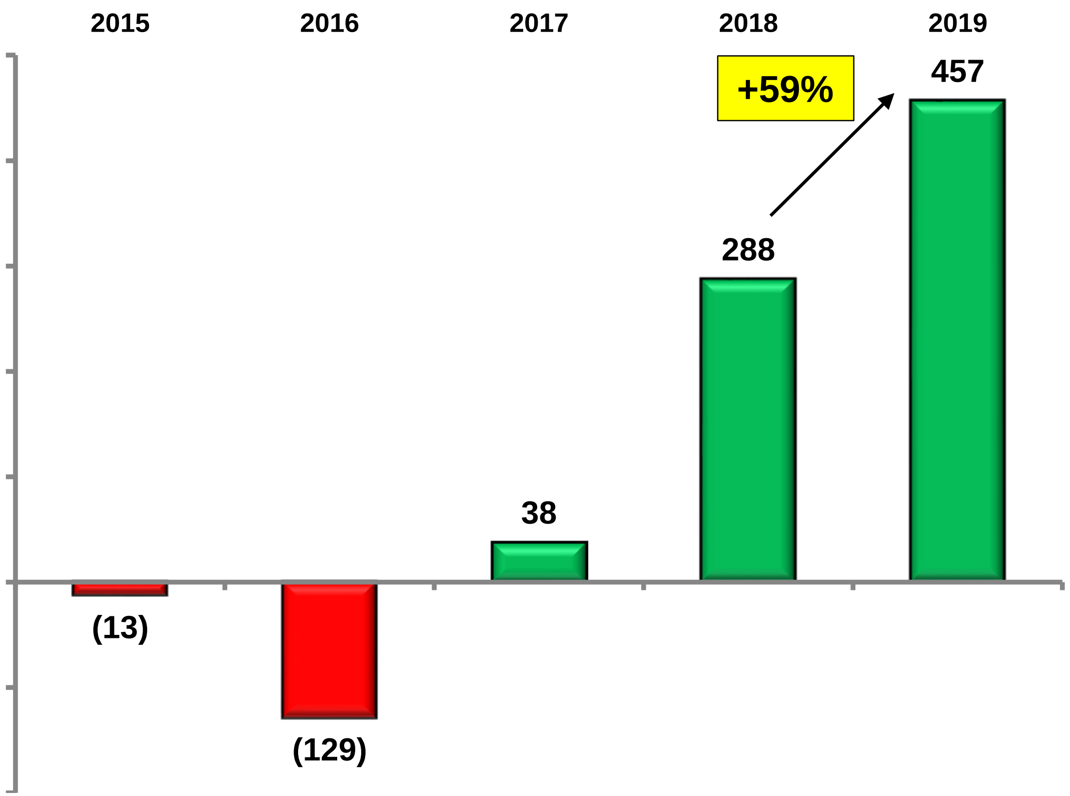
2019 YOY Revenue Change by Product			
Precision & Eng. Strip	-4%	*Standard Value Stainless*	-9%
Nickel & Spec. Alloys	+12%		
Titanium Products	+21%		

High-value product sales up 5% YOY

Financial Update

Free Cash Flow

$ millions



Significant YOY increase driven by portfolio actions and ongoing managed working capital improvements

Balance Sheet and Cash Flow

- Q4 and FY 2019 results
  - Strong liquidity with $491 million cash on hand and ~$450 million of undrawn revolver capacity at year end
  - Cash from operations of $240 million in Q4 2019
  - Managed working capital: 30% of sales, lower by ~160 b.p. YOY
  - Capital expenditures of $70 million (2019 FY: $168 million)
- Reduced debt outstanding by $150 million; lowered annual interest expense by $9 million
  - Redeemed $500 million of 5.95% debt due Jan. 2021
  - Issued $350 million of 5.875% debt due Jan. 2027
  - No scheduled maturities until 2022
- Year-end free cash flow and cash balance negatively impacted by early redemption of 2021 debt

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

2020 Outlook

Full Year 2020

EPS[1]	FCF[2]
$0.75 - $0.90	$135M - $165M

Q1 2020

EPS[1]: $0.12 - $0.16

[1] excluding special items
[2] see appendix for reconciliation of non-GAAP financial measures

Key Outlook Assumptions

- 737 MAX production restart in Q2
- Nickel prices in expected range ($6.00/lb. - $6.50/lb.)
- Minimal global impact from the Coronavirus epidemic
- Effective tax rate 23% - 25% in 2020

Key Drivers

- Aerospace & Defense growth beyond 737 MAX
- Emergent demand fulfillment across 2020
- Continued managed working capital discipline
- Benefits realized from:
  - ✓ Cost containment actions
  - ✓ Lower retirement benefit expense
  - ✓ Interest savings
  - ✓ Active management of working capital

2020 Financial Assumptions

Category	2020 Expected Impact	2019 Actual
U.S. Pension trust contribution	~$130	$145
Retirement benefit expense	~$60	$88
Capital expenditures	$200 - $210	$168
Managed working capital	~30.0% sales	30.0% sales
Interest expense	$86 - $90	$99
Effective book tax rate	23% - 25%	5.5%
Cash tax rate	5% - 7%	~2%
Diluted average share count (Q1)	~147 million shares	146.5 million shares
Impact of 2022 convertible notes	$2.4 (after-tax) quarterly interest expense addback to EPS numerator when using diluted average share count	

$ millions unless otherwise stated

Comments

- Lower pension contribution in 2020 due to strong 2019 return on pension assets
- Capital expenditure increase to support long-term profitable share gains and volume growth
    - Increases offset by managed working capital improvements in cash flow
- Interest expense reduced due to $150M debt reduction in Q4 ‘19
- Normalized book tax rate post year-end 2019 tax valuation allowance release

ATI

Fourth Quarter and Full Year 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 February 4, 2020:

	Three Months Ended December 31, 2019	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Net income attributable to ATI	$ 56.5	$ 257.6	$ 222.4
Adjust for special items:			
Gain on sale of oil & gas rights, net of tax (a)	$ -	$ (87.8)	$ -
Loss on sale of industrial forgings business, net of tax (b)	-	7.6	-
Gain on sale of cast products business, net of tax (c)	-	(6.0)	-
Restructuring, net of tax (d)	4.3	4.3	-
Debt extinguishment charge, net of tax (e)	20.5	20.5	-
Joint venture impairment reserve, net of tax (f)	10.8	10.8	-
Income tax valuation allowance (g)	(41.9)	(41.9)	-
Gain on joint venture deconsolidation, net of tax (h)	-	-	(14.7)
Net income attributable to ATI excluding special items	$ 50.2	$ 165.1	$ 207.7

	Per Diluted Share *	Per Diluted Share *	Per Diluted Share *
Net income attributable to ATI	$ 0.41	$ 1.85	$ 1.61
Adjust for special items:			
Gain on sale of oil & gas rights, net of tax	$ -	$ (0.60)	$ -
Loss on sale of industrial forgings business, net of tax	-	0.05	-
Gain on sale of cast products business, net of tax	-	(0.04)	-
Restructuring, net of tax	0.03	0.03	-
Debt extinguishment charge, net of tax	0.14	0.14	-
Joint venture impairment reserve, net of tax	0.07	0.07	-
Income tax valuation allowance	(0.29)	(0.29)	-
Gain on joint venture deconsolidation, net of tax	-	-	(0.10)
Net income attributable to ATI excluding special items	$ 0.36	$ 1.21	$ 1.51

Non-GAAP Financial Measures

* Presentation of adjusted results per diluted share includes the effects of convertible debt, if dilutive.
(a) Full year 2019 results include a $91.7 million pre-tax gain on the sale of oil & gas rights in New Mexico.

(b) Full year 2019 results include an $8.1 million pre-tax loss on the sale of the industrial forgings business, including $10.4 million of allocated goodwill.

(c) Full year 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 carrying value of long-lived assets of the retained Salem operations.

(d) Full year and Q4 2019 results include a $4.5 million pre-tax restructuring charge to streamline ATI's salaried workforce primarily to improve the cost competitiveness of the U.S.-based Flat-Rolled Products business.

(e) Full year and Q4 2019 results include a $21.6 million pre-tax debt extinguishment charge for the full redemption of the $500 million, 5.95% Senior Notes due 2021.

(f) Full year and Q4 2019 results include an $11.4 million pre-tax joint venture impairment charge for the Allegheny & Tsingshan Stainless joint venture, which included ATI's 50% share of the JV's impairment charge on the carrying value of long-lived assets at the Midland, PA production facility.

(g) Full year and Q4 2019 results include a $41.9 million discrete tax benefit primarily related to the reversal of a portion of deferred tax valuation allowances due to exiting the three-year cumulative loss condition for U.S. Federal and state jurisdictions at year-end 2019.

(h) Full year 2018 results include a gain on deconsolidation of Allegheny & Tsingshan Stainless joint venture following the sale of a 50% noncontrolling interest and subsequent derecognition. The $15.9 pretax gain, including ATI's retained 50% share, was recorded at fair value.

ATI

Non-GAAP Financial Measures

	First Quarter 2019 Per Diluted Share	Fiscal Year Ended December 31, 2019 Per Diluted Share
Net income attributable to ATI	$ 0.12	$ 1.85
Tax rate impact (i)	(0.03)	(0.62)
Adjusted net income attributable to ATI	$ 0.09	1.23
Special items (j)		(0.27)
Adjusted net income attributable to ATI excluding special items		$ 0.96

(i) Tax rate impact for the first quarter 2019 adjusts 2019 reported earnings per share, which used a 4.7% effective tax rate applied to income before taxes, to a 24% effective tax rate applied to income before taxes, which is the mid-point of the anticipated annual effective tax rate range for fiscal year 2020, including the impacts of potentially dilutive securities.

Tax rate impact for the full year 2019 adjusts 2019 reported earnings per share, which used a 5.7% effective tax rate applied to income before taxes and included a $41.9 million discrete tax benefit primarily related to the reversal of a portion of deferred tax valuation allowances, to a 24% effective tax rate applied to income before taxes, which is the mid-point of the anticipated annual effective tax rate range for fiscal year 2020, including the impacts of potentially dilutive securities.

(j) Amount includes the $52.3 million net pre-tax gain for special items discussed in (a)-(f) above and presents this amount net of tax, using a 24% effective tax rate which is the mid-point of the anticipated annual effective tax rate range for fiscal year 2020.

ATI

Non-GAAP Financial Measures

Free Cash Flow

($ in millions)	For the Years Ended December 31, 2015	2016	2017	2018	2019
Cash provided by (used in) operating activities	$ 131.4	$ (43.7)	$ 22.4	$ 392.8	$ 230.1
Cash (used in) provided by investing activities	(145.1)	(200.0)	(119.6)	(145.1)	81.7
Add back: cash contributions to ATI Pension Plan	0.3	115.0	135.0	40.4	145.0
Free Cash Flow as defined	$ (13.4)	$ (128.7)	$ 37.8	$ 288.1	$ 456.8

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- Q4 2019	$ 1,018.6	$ -	$ 1,018.6
Total ATI Sales- Q4 2018	1,037.9	(48.0)	989.9
Percentage Change	-1.9%		2.9%
Total ATI Sales- Full Year 2019	$ 4,122.5	$ (95.3)	$ 4,027.2
Total ATI Sales- Full Year 2018	4,046.6	(182.8)	3,863.8
Percentage Change	1.9%		4.2%
HPMC Sales- Q4 2019	$ 602.8	$ -	$ 602.8
HPMC Sales- Q4 2018	596.1	(48.0)	548.1
Percentage Change	1.1%		10.0%
HPMC Sales- Full Year 2019	$ 2,398.1	$ (95.3)	$ 2,302.8
HPMC Sales- Full Year 2018	2,334.2	(182.8)	2,151.4
Percentage Change	2.7%		7.0%
HPMC Aerospace & Defense Markets Sales- Full Year 2019	$ 1,879.1	$ (68.0)	$ 1,811.1
HPMC Aerospace & Defense Markets Sales- Full Year 2018	1,771.3	(108.1)	1,663.2
Percentage Change	6.1%		8.9%

Non-GAAP Financial Measures

Adjusted Sales Information

($ in millions)

	Reported		Industrial Forgings and Cast Products Businesses		Adjusted	
HPMC All Other Sales (ex Aero & Defense)- Full Year 2019	$	519.0	$	(27.3)	$	491.7
HPMC All Other Sales (ex Aero & Defense)- Full Year 2018		562.9		(74.7)		488.2
Percentage Change		-7.8%				0.7%
HPMC Commercial Jet Engine Sales- Full Year 2019	$	1,066.6	$	(44.5)	$	1,022.1
HPMC Commercial Jet Engine Sales- Full Year 2018		1,100.6		(71.4)		1,029.2
Percentage of Total HPMC Segment Sales		45%				45%
Percentage Change		-3.1%				-0.7%
HPMC Commercial Airframe Sales- Full Year 2019	$	481.0	$	(16.1)	$	464.9
HPMC Commercial Airframe Sales- Full Year 2018		411.2		(25.4)		385.8
Percentage of Total HPMC Segment Sales		20%				20%
Percentage Change		17.0%				20.5%
HPMC Government & Defense Sales- Full Year 2019	$	331.5	$	(7.4)	$	324.1
HPMC Government & Defense Sales- Full Year 2018		259.5		(11.3)		248.2
Percentage of Total HPMC Segment Sales		14%				14%
Percentage Change		27.7%				30.6%
Next Generation Jet Engine Product Sales- Full Year 2019	$	602.3	$	(37.1)	$	565.2
HPMC Jet Engine Product Sales- Full Year 2019		1,154.0		(50.4)		1,103.6
Percentage of Total HPMC Segment Sales		52.2%				51.2%
HPMC Commercial Airframe Sales- Q4 2019	$	110.5	$	-	$	110.5
HPMC Commercial Airframe Sales- Q4 2018		103.8		(6.5)		97.3
Percentage Change		6.5%				13.6%

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.