



Fourth Quarter Conference Call

January 24, 2017

Relentless Innovation®

© 2017 ATI. All rights reserved.

Forward-Looking Statements

This presentation contains forward-looking statements. Actual results may differ materially from results anticipated in the forward-looking statements. 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, 2015.

Q4 and Full-Year 2016 Highlights

Segment	Q4 2016	2016
ATI Sales (millions)	\$796.1	\$3,134.6
HPMC Operating Profit as % of Sales	11.3%	8.7%
FRP Operating Loss as % Sales	(0.3)%	(13.5)%

- Transition to next-generation from legacy in aerospace began
 - Sales for commercial jet engines +13%*
 - Sales for airframe were flat*
 - Titanium shipments remained healthy
 - Our available capacity makes us well positioned for share gains
- Sales to the Oil & Gas market decreased by 48% compared to 2015 and by 63% from 2014

*FY 2016 compared to FY 2015

2016 Highlights – Objectives and Results

*ATI sales to Aerospace and Defense market to be greater than 50%;
Significant mix shift improvement due to next-generation engine ramp*

- ✓ 2016 sales to A&D were 51% - continued to gain market share
- ✓ Growth in specialty materials, forgings, and castings – mix shift
 - ✓ Differentiated alloy growth of 55%

HPMC segment positioned for multi-year sustained profitable growth

In FRP segment, challenging market conditions require tough decisions

- ✓ Actions to improve cost structure
- ✓ FRP segment cost structure significantly improved

We expect FRP segment to be modestly profitable in Q4 2016 (July 2016)

- ✓ Achieved near-break even in Q4 2016

FRP segment positioned to benefit from market share gains from new products and the STAL expansion as well as market improvement, including oil & gas, defense, capital investment, and the focus on U.S. manufacturing

Diversified Markets – Percent of ATI 2016 Sales

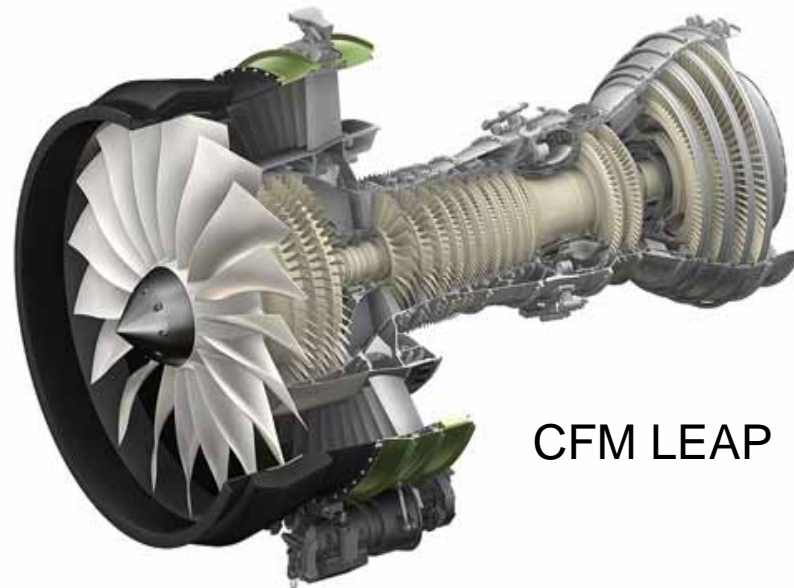
Key Market	2015	2016
Aerospace and Defense	41%	51%
Oil & Gas	14%	9%
Electrical Energy	10%	7%
Automotive	8%	7%
Medical	6%	6%

Aerospace and Defense 2016

Commercial Aerospace	43%
Jet Engine	28%
Airframe	15%
Government Aero/Defense	8%

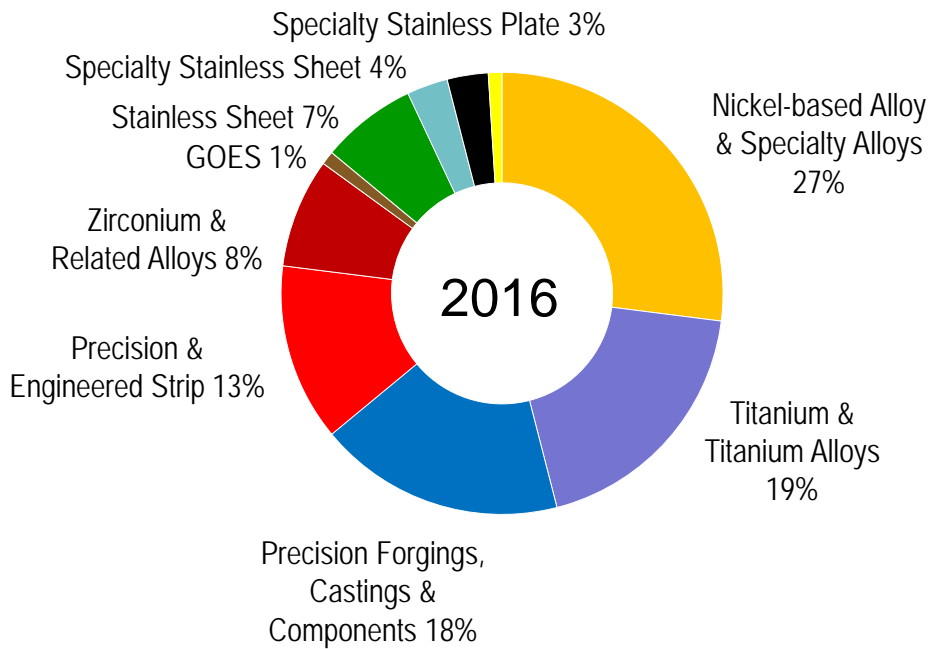
Direct International Sales of 41%

Materials for knees, hips,
and MRI machines



CFM LEAP

Diversified Products – Percent of ATI Sales



Nickel-based alloys & Specialty Alloys

- 27% in 2016
- 28% in 2015



Titanium & Titanium Alloys

- 19% in 2016
- 17% in 2015



Precision Forgings, Castings & Components

- 18% in 2016
- 14% in 2015



Commodity Products

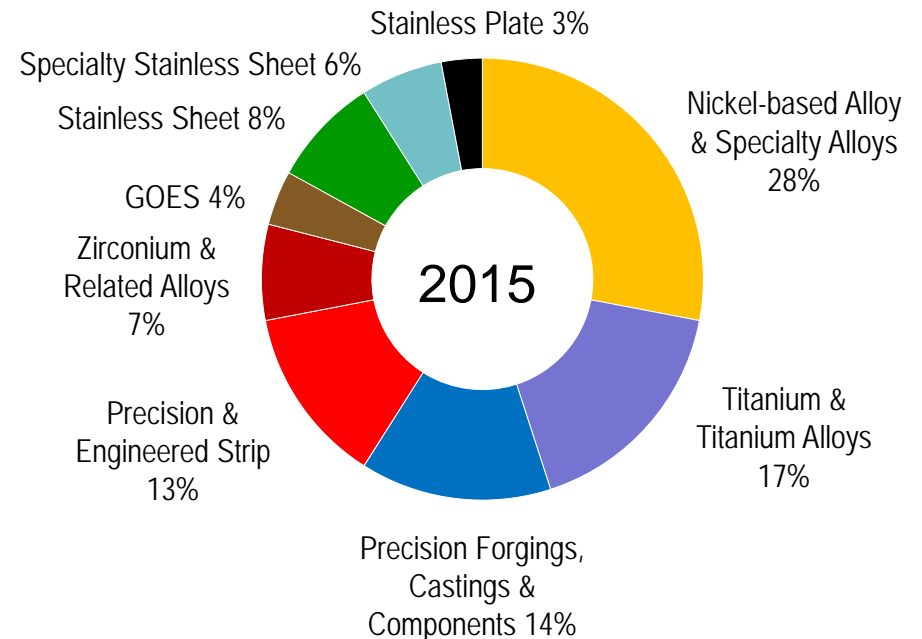
Stainless sheet

- 11% in 2016
- 14% in 2015



GOES

- <1% in 2016
- 4% in 2015



ATI High Performance Materials & Components

Aerospace & Defense Market Growth Drives Performance

Segment (\$millions)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Sales	\$474.7	\$457.3	\$493.0	\$498.4	\$461.8	\$477.2
Operating Profit	\$18.8	\$21.0	\$29.1	\$38.8	\$47.0	\$53.8
% of Sales	4.0%	4.6%	5.9%	7.8%	10.2%	11.3%

Markets – comparing 2016 to 2015

- Commercial jet engine sales increased 16%
- Oil & Gas sales decreased 57%

Actions to improve cost structure

- ✓ Integrate and align segment
- ✓ Reduced footprint
 - ✓ Idled Rowley, UT titanium sponge facility
 - ✓ Consolidated certain titanium operations in Albany, OR
 - ✓ Idled Frackville, PA facility

ATI Flat Rolled Products

Made good progress toward achieving profitability

Segment (\$millions)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Sales	\$358.0	\$281.6	\$264.5	\$312.1	\$308.7	\$318.9
Operating (Loss)	\$(91.8)	\$(120.1)	\$(109.6)	\$(31.8)	\$(20.8)	\$(0.8)

Actions to improve cost structure

- ✓ Reduced exposure to commodity stainless steel
- ✓ Exited grain-oriented electrical steel market
- ✓ Idled facilities
- ✓ New labor agreement and rightsizing actions
- ✓ Defined benefit retirement plan closed to new employees

FRP focus on value not volume

- Leverage alloy technology and strategic market strengths
- New HRPF-enabled product and market opportunities
- Price increases on contract and spot sales

Q4 Better than expected:

- Uptick in RM prices led to increased shipments
- Confidence indicators spiked in November
- Benefit of cost reductions

ATI Today

Markets

- 50% + of revenue from Aerospace and Defense in 2016
- 11% of revenue from commodity stainless sheet
- 1% of revenue from GOES – going to 0% in 2017
- Double digit growth from jet engine expected to continue
- New presence in Defense market
- Oil at \$50/barrel expected to drive improved demand from Oil & Gas market
- Positioned to benefit from improved U.S. manufacturing, and increased demand from the defense, and oil & gas markets

Growth Driver

Cost Structure

- Flat Rolled Products segment significant improvement
 - Saw impact in Q4 2016
 - Additional improvement in 2017
- High Performance Materials & Components segment
 - Saw impact in FY 2016; 6 quarters sequential margin improvement
 - Additional improvement in 2017

Financial

Cash and liquidity at 12/31/2016

- \$230 million cash on hand
 - Q4 cash from operations of \$68 million
 - \$53 million managed working capital reduction in Q4
 - \$92 million managed working capital reduction in FY 2016
- \$310 million available on ABL

Capital expenditures

- \$202 million in 2016
- \$125 million expected in 2017

Debt reduction

- \$100 million expected in 2017

Dividend suspended

- Saves \$35 million annually
- Focus is on strengthening our balance sheet to return ATI to investment grade

2016 convertible notes provided liquidity for pension funding

- Notes dilutive to EPS at \$0.17 / share quarterly, including effects of income tax valuation allowance; \$0.11 / share quarterly without valuation allowance

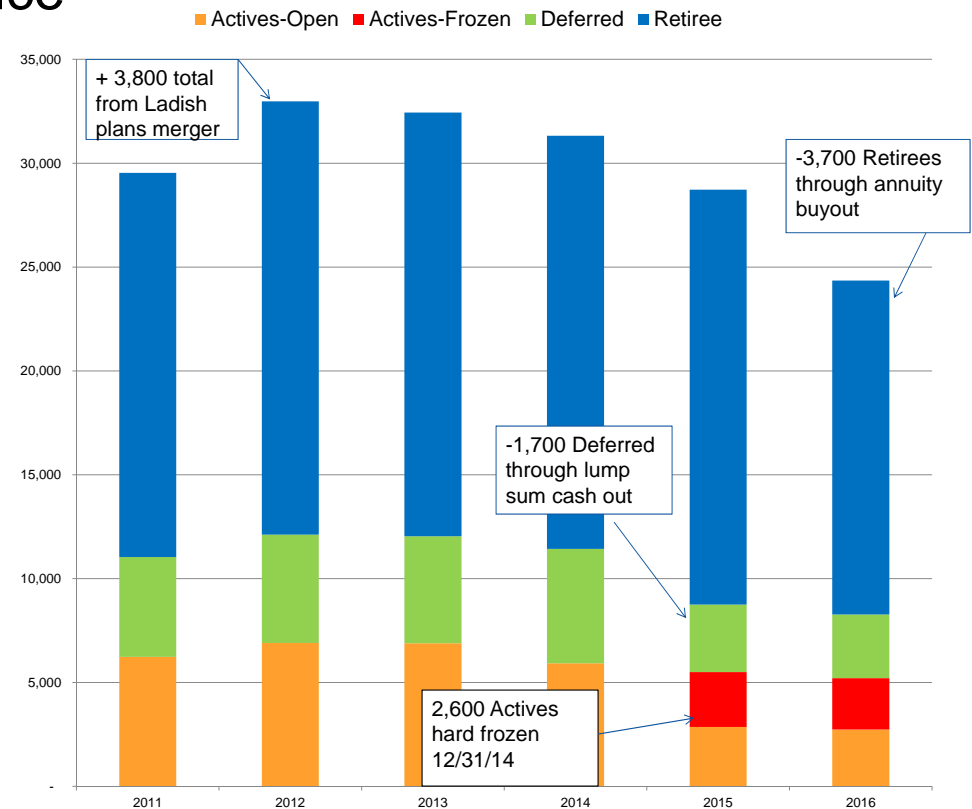
Retirement Benefit Liability Management

Retirement benefit expense improvement of \$23 million in 2017

- ✓ Cash payments to pension plan of \$115 million in 2016
- Expect \$135 million cash payment to pension plan in 2017

Benefits of liability management actions 2014-2016

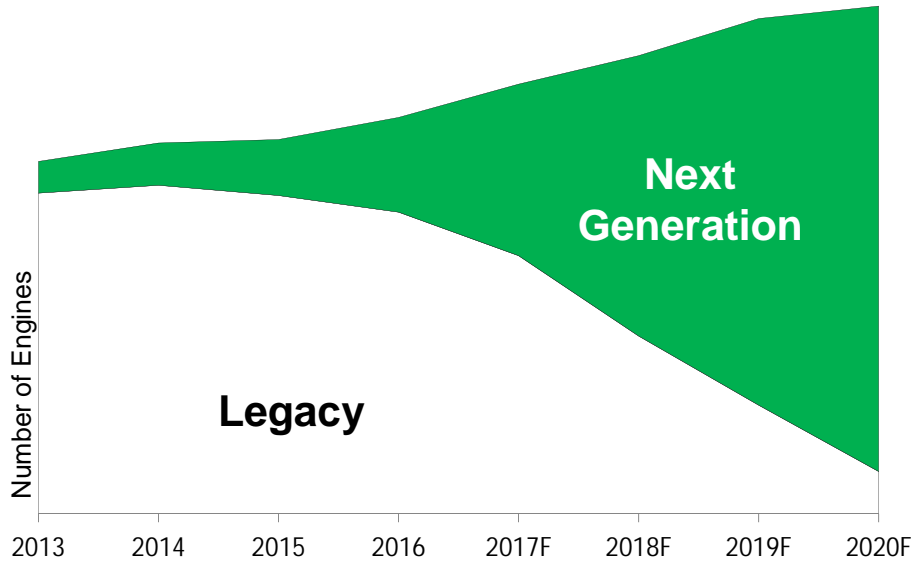
- ✓ Lower service cost from hard and soft pension freezes
- ✓ FRP USW agreement freezes retiree medical plan to new hires
- ✓ Eliminated salaried retiree life insurance
- ✓ Proactive steps to shrink the size of the pension plan population
 - ✓ Lump sum cash out offer
 - ✓ Lower administrative costs from divesting >3,500 retirees through annuity buyout of small balance pensions in 2016
 - ✓ Pension plan population reduced 25% since Ladish acquisition in 2011



© 2017 ATI. All rights reserved.

Commercial Aircraft Build Rates

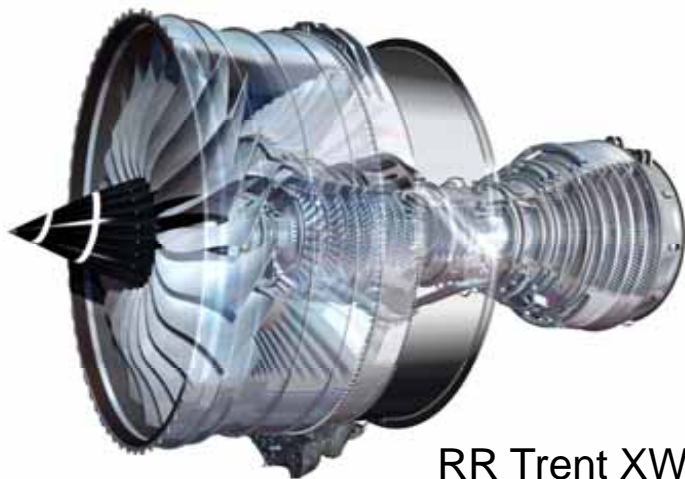
Next-Generation Uses Significantly More of our Products



Source: ATI Market Outlook, Airline Monitor, Forecast International

Model	Next-Gen Engine	Next-Gen Aircraft	Next-Gen Wing
B787	★	★	
A350XWB	★	★	
A320neo	★		
B737 MAX	★		
A330neo	★		
B777X	★		★

22,314 engines in firm order book*



RR Trent XWB

*Delivery record projected to surge in 2017***

***	2016	2017	2018	2019	2020
CFM LEAP	54	488	1,162	1,870	1,994
P&W GTF	72	218	622	880	966
RR Trent XWB	100	170	230	250	210

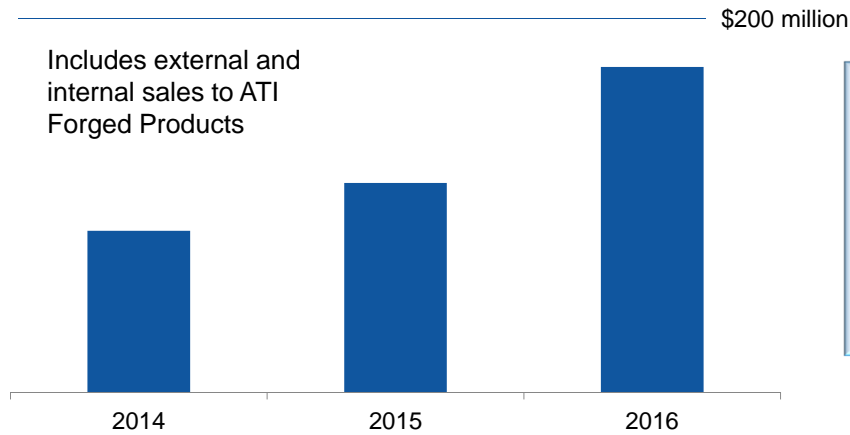
* Aero Engine News, January 2017

** Aviation Week & Space Technology December 26, 2016

*** Airline Monitor June 2016

© 2017 ATI. All rights reserved.

Market Share Growth Thru Relentless Innovation



Differentiated Mill Products

Nickel-based superalloys

- ATI 718 Plus® Alloy
- ATI 720 Alloy
- Rene 65
- Powder metal alloys

Differentiated mill products

- Grew by 55% in 2016 compared to 2015
- Strong growth expected to continue
- Powder metal alloys
 - Powder-to-isothermal forge
 - Powder-to-net shape
 - 3D printing – new frontier



New Powder Facility on Schedule



© 2017 ATI. All rights reserved.

Strategy & 2017 Outlook

High Performance Materials & Components segment

- 10% revenue growth with low double-digit operating margins
 - Revenue growth is reduced by about \$25 million of closed operations
- Higher aerospace sales and richer next-generation product mix
- Other markets remain flat
- Cost improvement from titanium sponge and other restructuring actions

Flat Rolled Products segment

- Sequential revenue growth from Q4 2016 through Q2 2017
- Limited visibility for the second half, remain cautious
 - Market conditions remain challenging in several key markets
- Low-single digit operating profit as a % of sales for 2017
- Focus on **value not volume** more aligned with strengths of ATI
 - Leverage alloy technology and strategic market strengths
 - New HRPF-enabled product and market opportunities
 - Better product mix; grow specialty sheet & strip and plate products
 - Grow share in Aerospace & Defense, Oil & Gas, and corrosion markets
- Continue to improve competitive cost structure



Q&A

January 24, 2017

Relentless Innovation®

© 2017 ATI. All rights reserved.



ATI

Relentless Innovation[®]

Non-GAAP Financial Measures

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 press release dated January 24, 2017:

	Three Months Ended			Fiscal Year
	December 31 2016	September 30 2016	December 31 2015	Ended December 31 2016
Income (loss) attributable to ATI	\$ 9.9	\$ (530.8)	\$ (226.9)	\$ (640.9)
Adjustments:				
Restructuring and other charges, net of tax (a)	(18.6)	(329.1)	(167.3)	(354.8)
Rowley excess operating costs, net of tax (b)	-	(6.1)	(6.7)	(19.3)
Work stoppage and return-to-work costs (c)	-	-	-	(28.1)
Income tax items including valuation allowances (d)	32.4	(173.1)	-	(141.3)
Loss attributable to ATI excluding special items	<u>\$ (3.9)</u>	<u>\$ (22.5)</u>	<u>\$ (52.9)</u>	<u>\$ (97.4)</u>
	Per Diluted Share			
Income (loss) attributable to ATI	\$ 0.09	\$ (4.95)	\$ (2.12)	\$ (5.97)
Adjustments:				
Restructuring and other charges, net of tax (a)	(0.17)	(3.07)	(1.56)	(3.30)
Rowley excess operating costs, net of tax (b)	-	(0.06)	(0.06)	(0.18)
Work stoppage and return-to-work costs (c)	-	-	-	(0.27)
Income tax items including valuation allowances (d)	0.30	(1.61)	-	(1.31)
Loss attributable to ATI excluding special items	<u>\$ (0.04)</u>	<u>\$ (0.21)</u>	<u>\$ (0.50)</u>	<u>\$ (0.91)</u>

(a) Restructuring and other charges include the following:

For the three months ended December 31, 2016, \$28.6 of pre-tax restructuring charges (\$18.6 after-tax at a standard 35% tax rate), or \$(0.17) per share, including \$13.0 for additional HPMC segment titanium operations closure-related actions at the Rowley, UT, Frackville, PA and Albany, OR titanium operations, and \$15.6 for FRP closure-related costs at the Midland and Bagdad, PA facilities and for additional FRP severance charges for salaried workforce reductions. These restructuring charges, which are excluded from business segment results, include contractual obligations, closure costs, severance and supplemental unemployment benefits. FRP restructuring costs also include \$3.4 of special termination benefits for pension and other postretirement benefit plans.

For the three months ended September 30, 2016, \$471.3 of pre-tax asset impairment charges (\$310.3 after-tax), or \$(2.89) per share, and \$28.6 of pre-tax shutdown, idling and employee benefit costs (\$18.8 after-tax), or \$(0.18) per share for the Rowley, UT facility, which are excluded from HPMC segment results.

For the three months ended December 31, 2015, \$216.3 of pre-tax impairment and restructuring charges (\$135.3 after-tax), or \$(1.26) per share including \$126.6 FRP segment goodwill impairment, \$54.5 for FRP asset impairments at Midland, PA and GOES operations, \$25.4 for titanium inventory valuation, and \$9.8 of severance and other costs. Charges also include \$51.2 of pre-tax Net Realizable Value inventory valuation adjustments (\$32.0 after-tax), or \$(0.30) per share.

For the fiscal year ended December 31, 2016, amounts include additional charges for severance actions.

(b) During the third quarter of 2016, the Company indefinitely idled its titanium sponge production facility in Rowley, UT. These amounts represent the above-market production costs and other operating expenses for this facility for the periods indicated, net of expected ongoing carrying costs, and have been adjusted out of the Company's GAAP amounts to provide Company results that are more representative of the fourth quarter 2016 and future periods, which will exclude these costs.

(c) For the first six months of fiscal year 2016, the Company incurred costs associated with the work stoppage and return-to-work of USW-represented employees including reduced operating efficiencies, out-of-phase raw material costs, and provisions of the new labor agreements.

(d) Amounts for the three months ended December 31, 2016 include \$32.4, or \$0.30 per share, of above-normal income tax benefits compared to those that would apply at a standard 35% tax rate, primarily related to income tax valuation allowance changes. Amounts for the three months ended September 30, 2016 include a charge of \$173.1, or \$(1.61) per share primarily related to income tax valuation allowances recorded on U.S. federal deferred tax assets due to cumulative losses from U.S. operations. Amounts for the fiscal year ended December 31, 2016 include \$141.3 or \$(1.31) per share, of below-normal income tax benefits on the \$734.0 pretax loss due primarily to valuation allowances recorded on U.S. federal deferred tax assets.

Creating Value Thru Relentless Innovation™

ATI is a global manufacturer of technically advanced specialty materials and complex components. With 2016 revenue of \$3.1 billion, our largest market (over 50% of sales) is aerospace & defense, particularly jet engines. We also serve the oil & gas, electrical energy, medical, automotive, and other industrial markets. ATI is a market leader in manufacturing differentiated specialty alloys and forgings that require our unique manufacturing and precision machining capabilities and our innovative new product development competence. ATI produces nickel-based alloys and superalloys, titanium alloys, specialty alloys, stainless steels, and zirconium and other related alloys in many mill product forms. We also are a leader in producing nickel-based alloy and titanium-based alloy powders for use in next-generation jet engine forgings and 3D-printed products.