



Cowen 38th Annual Aerospace/Defense & Industrials Conference

February 8, 2017

Relentless Innovation[®]

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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.

Diversified Markets – Percent of ATI 2016 Sales

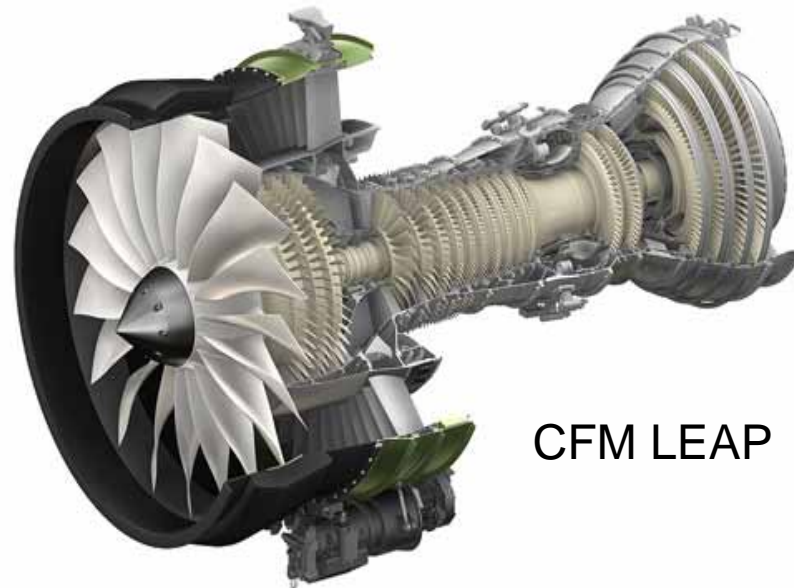
Key Market	2015	2016
Aerospace and Defense	41%	51%
Oil & Gas	14%	9%
Electrical Energy	10%	7%
Automotive	8%	7%
Medical	6%	6%

Aerospace and Defense 2016

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

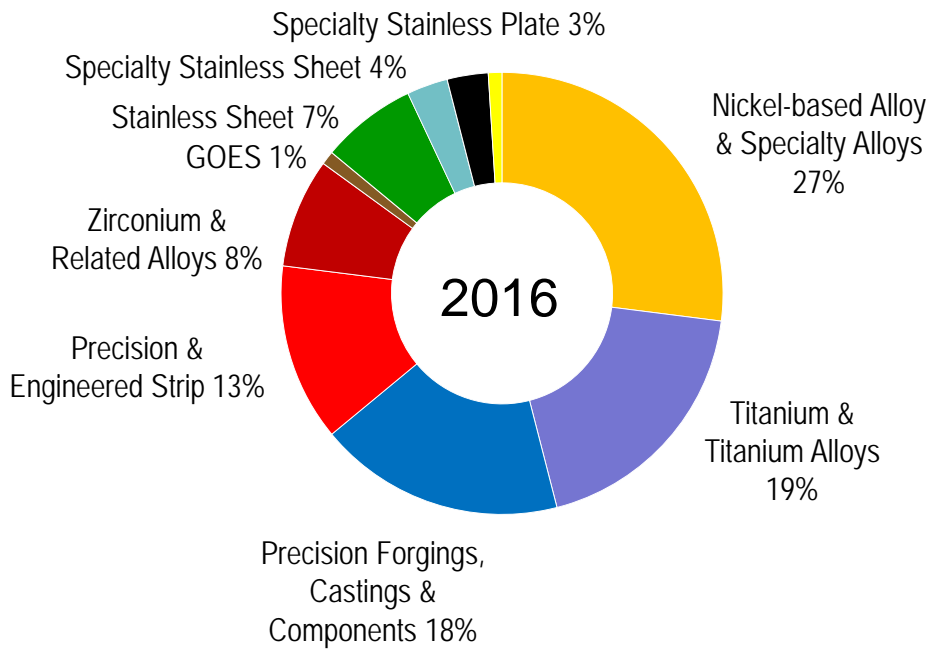
Direct International Sales of 41%

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

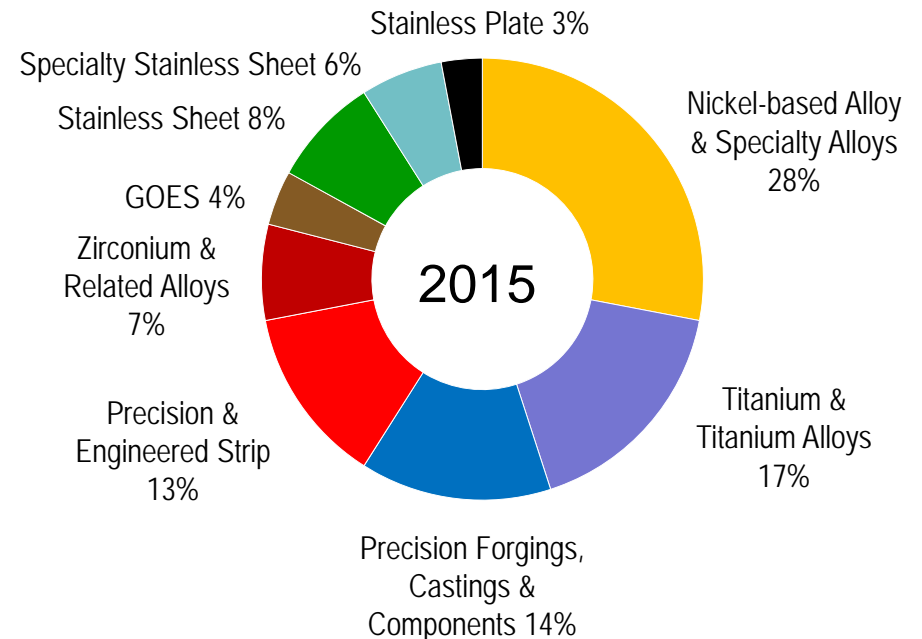
Stainless sheet

- 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

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; Depreciation \$160 million

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

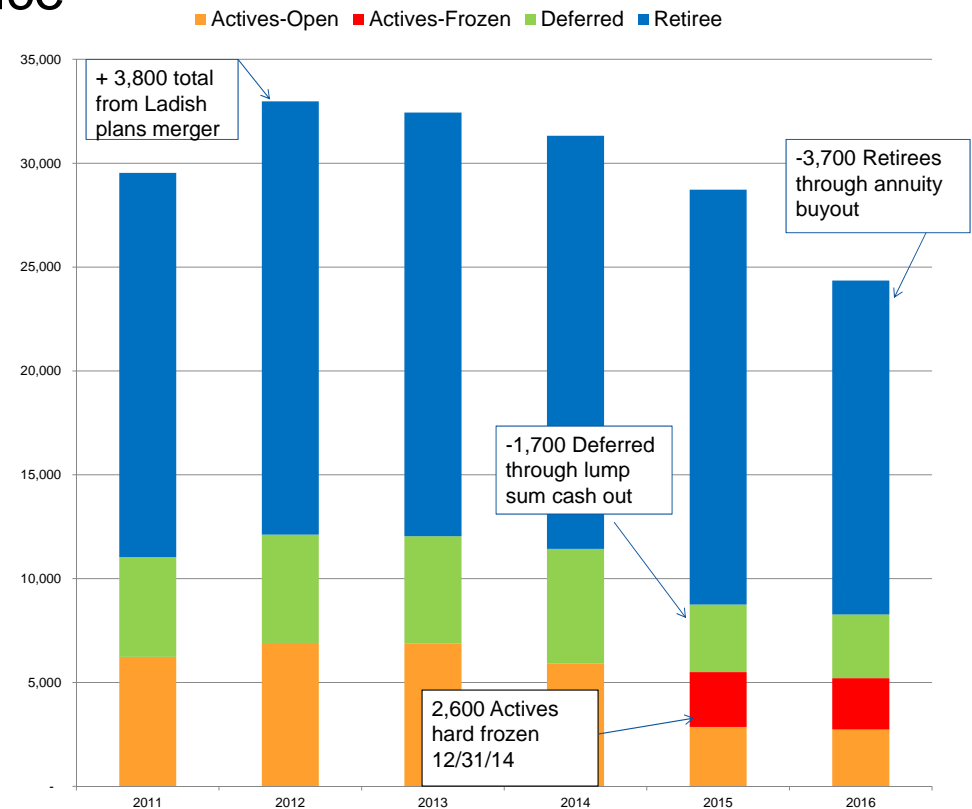
Retirement Benefit Liability Management

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

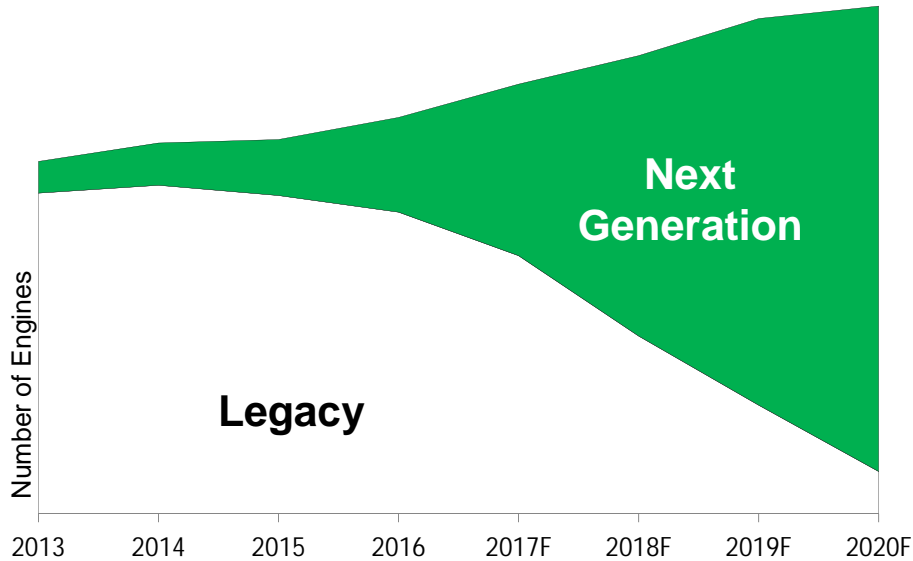
- ✓ Lower service cost from hard and soft pension freezes
- ✓ FRP USW agreement freezes retiree medical plan to new hires
- ✓ Eliminated salaried retiree life insurance
- ✓ Proactive steps to shrink the size of the pension plan population
 - ✓ Lump sum cash out offer
 - ✓ Lower administrative costs from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



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Commercial Aircraft Build Rates

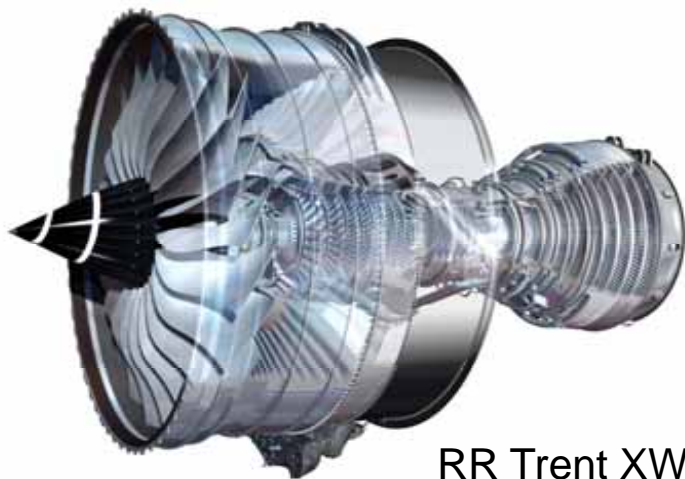
Next-Generation Uses Significantly More of our Products



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

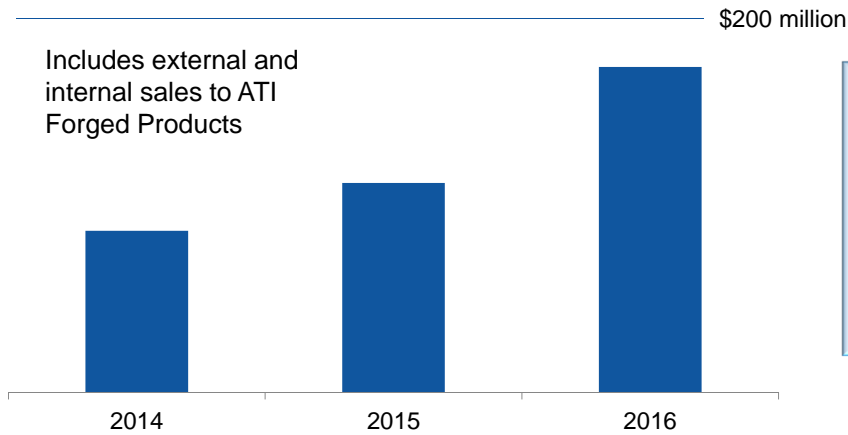
* Aero Engine News, January 2017

** Aviation Week & Space Technology December 26, 2016

*** Airline Monitor June 2016

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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

Forgings

- Forgings schedule for next-generation engines grows in 2017



New Powder Facility on Schedule



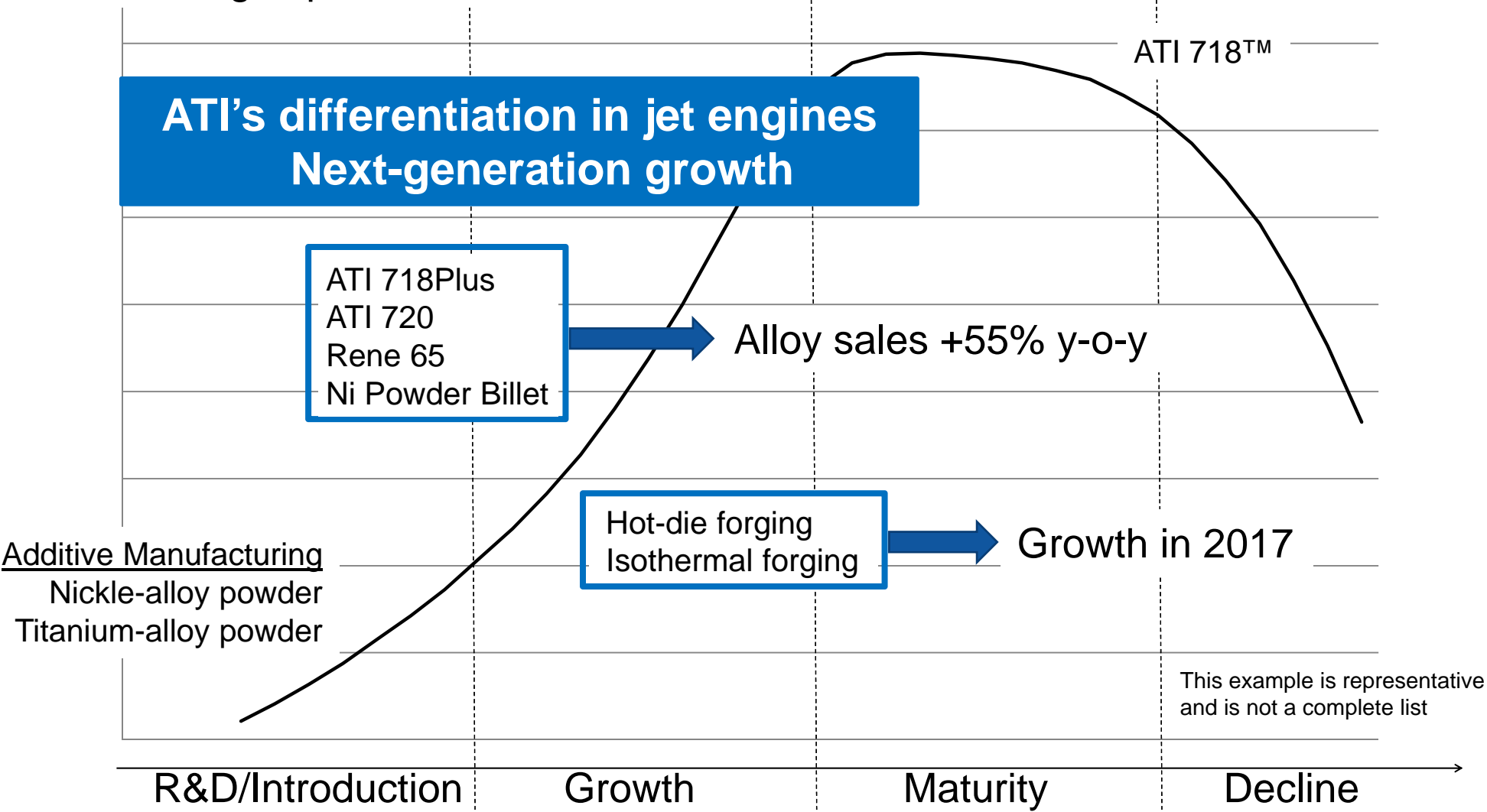
Bakers, NC

Materials lead by one year; forgings by 6 months

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Market Share Growth Thru Relentless Innovation

Technology driven
Manufacturing capabilities enabled



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Strategy & 2017 Outlook (January 24, 2017)

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



ATI

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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.