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Investor Contact:

Patricia Figueroa

(212) 836-2674

Patricia.Figueroa@arconic.com

Media Contact:

Shona Sabnis

(212) 836-2626

Shona.Sabnis@arconic.com

Arconic Announces Three-Year Targets at Inaugural Investor Day *Company outlines execution path to margin expansion and profitable growth*

New York, December 14, 2016 – Arconic Inc. (NYSE: ARNC) today announced its levers for value creation and three-year financial targets through 2019 at its inaugural Investor Day event in New York.

Arconic is focused on driving shareholder value. The Company has substantially improved its portfolio and margins since 2008, and today holds strong market positions across the sectors it serves, with 70 percent of revenues derived from number one or two market positions. Arconic is well-positioned to capture secular growth tailwinds in aerospace and automotive, and achieve margin expansion through cost reductions and share gains across all segments, driven by differentiated technology.

The Company's \$1.2 billion¹ retained interest (19.9 percent) in Alcoa Corporation provides further financial flexibility and Arconic plans to monetize this stake responsibly, with timing based on market conditions. Resulting cash would be used for debt pay-down and share repurchases.

The following three-year business targets were announced for the 2017 to 2019 time period:

- **Arconic Revenue** – \$11.8-\$12.4 billion in 2017, with 7-8 percent compound annual growth rate (CAGR) through 2019

¹ 19.9 percent stake in Alcoa Corporation valued at \$1.2 billion as of 12/9/16

- **Adjusted EBITDA margin** – approximately 15 percent targeted for 2017, growing to approximately 17 percent in 2019
- **Combined segment adjusted EBITDA margin** (excluding corporate spend) – approximately 17 percent targeted for 2017, growing to approximately 19 percent in 2019
- **Return on Net Assets** (RONA) – approximately 9 percent targeted for 2017, growing to 11-12 percent in 2019
- **Leverage** – in 2019, target of 2.0-2.5 times net debt to adjusted EBITDA
- **Free Cash Flow** – more than \$350 million in 2017, increasing to approximately \$700 million in 2019

“We lead the company with an ‘owner mindset’, strongly focused on shareholder value,” said Arconic Chairman and CEO Klaus Kleinfeld. “Our value creation model has six priority areas – innovation, market share and growth, productivity and overhead cost reduction, capital efficiency, de-leveraging and returning cash to shareholders. Arconic’s recent separation from Alcoa Corporation has unleashed distinct advantages; our management team is completely focused on the major end markets we serve, our technology portfolio is wholly concentrated on value-add products and processes, we have an exacting capital expenditure approval process, an efficient operating structure, and are an attractive employer of choice for high performing talent.”

Kleinfeld continued, “Arconic’s businesses have strong market positions and margin profiles and are positioned to capture near-term growth tailwinds in our major segments. We have a clear execution path to incremental value by improving our businesses, a strong balance sheet profile and financial flexibility, and are attacking all opportunities to drive shareholder value. These strengths, combined with our new three-year targets, provide a clear roadmap for shareholder value creation.”

The company also outlined earnings potential for each of its three segments for the next three to five years:

- Engineered Products and Solutions- ~400 basis point margin improvement over 2016 adjusted EBITDA margin target of ~21 percent.
- Global Rolled Products - ~200 basis point margin improvement over 2016 adjusted EBITDA margin target of ~11+ percent.
- Transportation and Construction Solutions ~250 basis point margin improvement over 2016 adjusted EBITDA margin target of ~15 percent.

Arconic has a strong track record of delivering productivity savings and expects to achieve \$650 million in 2016. The Company is targeting net savings of approximately 2 percent of revenue in 2017. Arconic applies an ‘owner mindset’ to capital allocation, prioritizing growth, optimization of financial position, debt pay-down and return of cash to

shareholders. The Company has an exacting approach to capital expenditure approval, with 2017 expenditures capped at \$650 million.

Arconic's executive compensation structure is aligned with shareholder value creation.

The Company is targeting a regular dividend to shareholders of approximately 10 percent of operating cash flows, with periodic, opportunistic share repurchases based on relative return assessment.

The webcast of the Arconic Investor Day event is available for replay and the presentations archived at www.arconic.com/investorday.

About Arconic

Arconic Inc. (NYSE: ARNC) creates breakthrough products that shape industries. Working in close partnership with our customers, we solve complex engineering challenges to transform the way we fly, drive, build and power. Through the ingenuity of our people and cutting-edge advanced manufacturing techniques, we deliver these products at a quality and efficiency that ensure customer success and shareholder value. For more information: www.arconic.com. Follow @arconic: [Twitter](#), [Instagram](#), [Facebook](#), [LinkedIn](#) and [YouTube](#).

Dissemination of Company Information

Arconic intends to make future announcements regarding Company developments and financial performance through its website at www.arconic.com.

Forward-Looking Statements

This communication contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "guidance," "goal," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect Arconic's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts relating to the growth of the aerospace, automotive, commercial transportation and other end markets; statements and guidance regarding future financial results or operating performance; statements about Arconic's strategies, outlook, business and financial prospects; and statements regarding potential share gains. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although Arconic believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by

these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to: (a) deterioration in global economic and financial market conditions generally; (b) unfavorable changes in the markets served by Arconic; (c) the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated from restructuring programs and productivity improvement, cash sustainability, technology advancements, and other initiatives; (d) changes in discount rates or investment returns on pension assets; (e) Arconic's inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, expansions, or joint ventures; (f) the impact of cyber attacks and potential information technology or data security breaches; (g) political, economic, and regulatory risks in the countries in which Arconic operates or sells products; (h) the impact of the separation on the businesses of Arconic; (i) material adverse changes in aluminum industry conditions, including fluctuations in London Metal Exchange-based aluminum prices; (j) the impact of changes in foreign currency exchange rates on costs and results; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; and (l) the other risk factors discussed in Arconic's Form 10-K for the year ended December 31, 2015, and other reports filed with the U.S. Securities and Exchange Commission (SEC). Arconic disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law. Market projections are subject to the risks discussed above and other risks in the market.

Non-GAAP Financial Measures

Some of the information included in this communication are not prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and are considered "non-GAAP financial measures" under SEC rules. Arconic has not provided a reconciliation of any forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures because Arconic is unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, and Arconic believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, reconciliation of forward-looking non-GAAP financial measures such as EBITDA, Return on Net Assets, and Free Cash Flow to the most directly comparable GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the variability and complexity with respect to the charges and other components excluded from these non-GAAP measures, such as the effects of foreign currency movements, equity income, gains or losses on sales of assets, taxes and any future restructuring or impairment charges. These reconciling items are in addition to the inherent variability already included in the GAAP measure which includes, but is not limited to, price/mix and volume.