Third Quarter 2022 Earnings Call

John Plant: Executive Chairman and Chief Executive Officer
Ken Giacobbe: EVP and Chief Financial Officer

October 31, 2022

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Important Information

Forward–Looking Statements

This presentation 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," "goal," "guidance," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect Howmet Aerospace’s expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, statements, forecasts and outlook relating to the condition of end markets; future financial results or operating performance; future strategic actions; Howmet Aerospace's strategies, outlook, and business and financial prospects; and any future repurchases of its debt or equity securities. These statements reflect beliefs and assumptions that are based on Howmet Aerospace’s perception of historical trends, current conditions and expected future developments, as well as other factors Howmet Aerospace believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and changes in circumstances that are difficult to predict, which could cause actual results to differ materially from those indicated by these statements. Such risks and uncertainties include, but are not limited to: (a) uncertainty of the duration, extent and impact of the COVID-19 pandemic on Howmet Aerospace’s business, results of operations, and financial condition; (b) deterioration in global economic and financial market conditions generally (including as a result of COVID-19 and its effects, among other things, on global supply, demand, and distribution disruptions); (c) unfavorable changes in the markets served by Howmet Aerospace; (d) the impact of potential cyber attacks and information technology or data security breaches; (e) the loss of significant customers or adverse changes in customers’ business or financial conditions; (f) manufacturing difficulties or other issues that impact product performance, quality or safety; (g) inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (h) the inability to achieve revenue growth, cash generation, cost savings, restructuring plans, cost reductions, improvement in profitability, or strengthening of competitiveness and operations anticipated or targeted; (i) inability to meet increased demand, production targets or commitments; (j) competition from new product offerings, disruptive technologies or other developments; (k) geopolitical, economic, and regulatory risks relating to Howmet Aerospace’s global operations, including geopolitical and diplomatic tensions, instabilities and conflicts, as well as compliance with U.S. and foreign trade and tax laws, sanctions, embargoes and other regulations; (l) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation, which can expose Howmet Aerospace to substantial costs and liabilities; (m) failure to comply with government contracting regulations; (n) adverse changes in discount rates or investment returns on pension assets; and (o) the other risk factors summarized in Howmet Aerospace’s Form 10-K for the year ended December 31, 2021 and other reports filed with the U.S. Securities and Exchange Commission. Market projections are subject to the risks discussed above and other risks in the market. The statements in this presentation are made as of the date of this presentation, even if subsequently made available by Howmet Aerospace on its website or otherwise. Howmet Aerospace disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

Important Information (continued)

Non-GAAP Financial Measures

Some of the information included in this presentation is derived from Howmet Aerospace's consolidated financial information but is not presented in Howmet Aerospace's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain of these data are considered "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found in the Appendix to this presentation. Howmet Aerospace has not provided reconciliations of any forward-looking non-GAAP financial measures (including Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Earnings per Share, each excluding special items, and Free Cash Flow) to the most directly comparable GAAP financial measures because such reconciliations, as well as the directly comparable GAAP measures, are not available without unreasonable efforts due to the variability and complexity of the charges and other components excluded from the non-GAAP measures, such as the effects of foreign currency movements, 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 measures, which includes, but is not limited to, price/mix and volume. Howmet Aerospace believes such reconciliations of forward-looking non-GAAP financial measures would imply a degree of precision that would be confusing or misleading to investors.

Where values are denoted, M=USD millions and B=USD billions.

Q3 2022 Highlights

Revenue and Profitability Excluding Special Items[1]

	Q3 2021	Q2 2022	Q3 2022
Revenue	$1.283B	$1.393B	$1.433B
Adj EBITDA[1]	$292M	$317M	$323M
Adj EBITDA Margin[1]	22.8%	22.8%	22.5%
Adj Earnings Per Share[2]	$0.27	$0.35	$0.36

- Revenue up 12% YoY, driven by Commercial Aerospace up 23% YoY
- Adj EBITDA[1] up 11% YoY and Adj Earnings Per Share[2] up 33% YoY
- Net Headcount up ~350 sequentially from Q2 2022; up ~1,575 YTD

Balance Sheet and Cash Flow

- Free Cash Flow[3] of $23M, including ~($80M) Inventory build primarily for Commercial Aero recovery
- Ending Cash Balance of $454M; Repurchased ~2.8M shares of Common Stock for $100M
- Reduced YTD Pension/OPEB Liability by ~$85M and YoY Pension Contributions/OPEB Payments by ~45% YTD
- Maintained Net Debt-to-LTM EBITDA[4] of 3.0x

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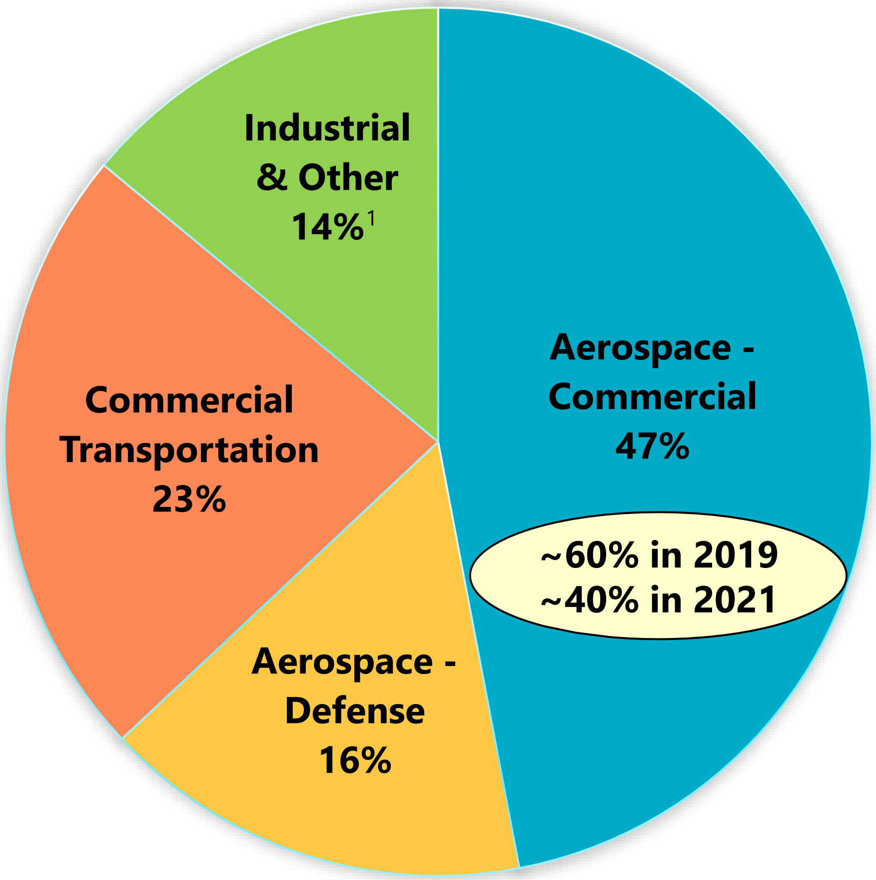
1) Net Income (GAAP): Q3 2021 = $27M, Q2 2022 = $147M , Q3 2022 = $80M 2) EPS (GAAP): Q2 2021 = $0.06, Q2 2022 = $0.35, Q3 2022 = $0.19 3) Q3 2022: Cash provided from operations = $65M, Cash used for financing activities = ($106M), Cash used for investing activities = ($41M) 4) Adjusted for special items; Last twelve month (LTM) Howmet adjusted EBITDA *See appendix for reconciliations*

Q3 2022 Revenue Up 12% YoY, driven by Commercial Aero Up 23% YoY

Revenue by Market (% of total)



Revenue by Market (% change)	YoY	Sequential
Aerospace - Commercial	23%	7%
Aerospace - Defense	(4%)	Flat
Subtotal - Aerospace	15%	5%
Commercial Transportation	13%	(1%)
Industrial & Other[1]	(2%)	Flat
Total Revenue	12%	3%

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1) IGT represents ~45%, general Industrial represents ~35%, and Oil & Gas represents ~20% of total Industrial & Other

Q3 2022: Revenue Up 12% YoY, Adj EBITDA Margin[1] 22.5%, Adj EPS[2] Up 33% YoY

Enhanced Profitability

- Revenue up 12% YoY, in line with Guidance; includes material pass through ~$70M
- Adj EBITDA[1] of $323M, up 11% YoY and Adj EBITDA Margin[1] of 22.5%; both in line with Guidance
- Adj EBITDA Margin[1] excluding YoY material pass through 23.7%; Revenue flow through to Adj EBITDA[1] of 39%
- Net Headcount up ~350 sequentially from Q2 2022; up ~1,575 YTD
- Adj Earnings Per Share[2] of $0.36, up 33% YoY, in line with Guidance; minimal currency impact

Strengthened Balance Sheet

- Free Cash Flow[3] of $130M YTD, including ~($270M) Inventory build primarily for Comm Aero recovery
- Ending Cash Balance of $454M; including Repurchases of Common Stock and Quarterly Dividend
- Reduced YTD Pension/OPEB Liability ~$85M and YoY Pension Contributions/OPEB Payments ~45% YTD
- Maintained Net Debt-to-LTM EBITDA[4] of 3.0x. All Bond Debt unsecured and at fixed rates.

Balanced Capital Allocation

- Capex less than Depreciation and Amortization; Productivity projects focused on automation
- Repurchased ~2.8M shares of Common Stock for $100M; ~9.7M shares for $335M YTD
- Doubled Quarterly Dividend to $0.04 per share of Common Stock in Q4 2022

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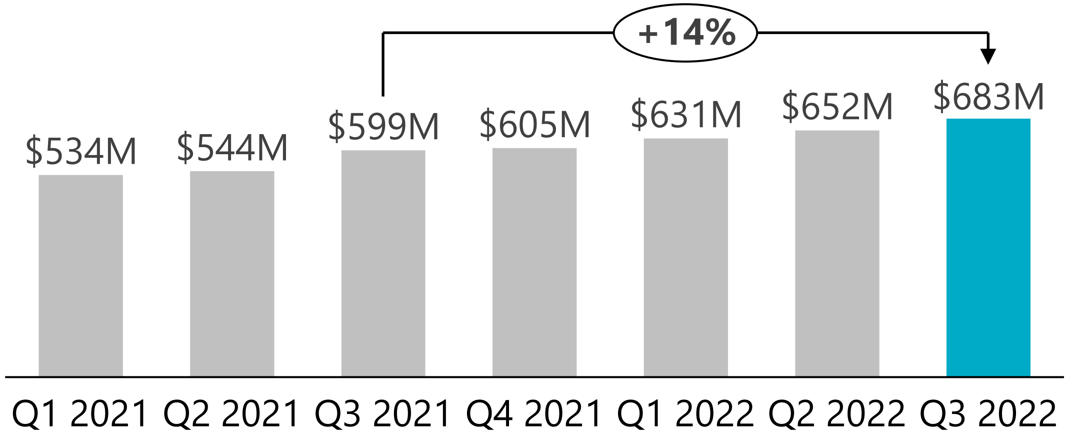
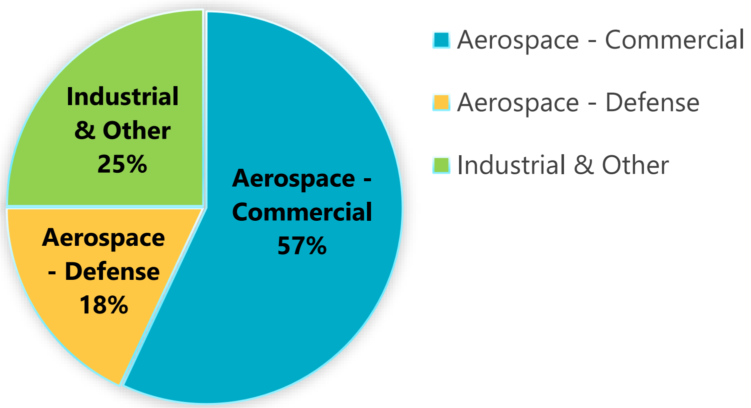
1) Adjusted EBITDA and EBITDA Margin excluding special items: Net Income (GAAP): Q3 2021 = $27M, Q3 2022 = $80M 2) Adjusted EPS excluding special items: EPS (GAAP): Q3 2021 = $0.06, Q3 2022 = $0.19 3) Q3 YTD 2022: Cash provided from operations = $278M, Cash used for financing activities = ($437M), Cash used for investing activities = ($106M) 4) Adjusted for special items; Last twelve month (LTM) Howmet adjusted EBITDA *See appendix for reconciliations*

Engine Products: Adj EBITDA Margin Up 200 bps YoY, driven by Narrow Body

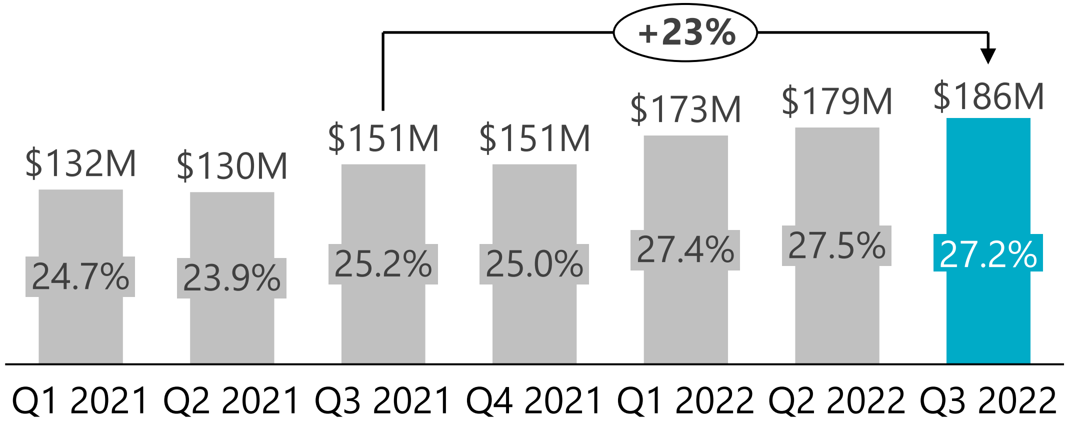
3rd Party Revenue



Revenue by Market (% of total)



Segment Adjusted EBITDA and Margin



Q3 2022 YoY

+ Narrow Body Recovery
+ Oil & Gas Growth
+ Increased Net Headcount ~260 in Q3 2022, up ~1,040 Q3 YTD 2022; Unfavorable near-term training time/cost
+ Strong Productivity Gains

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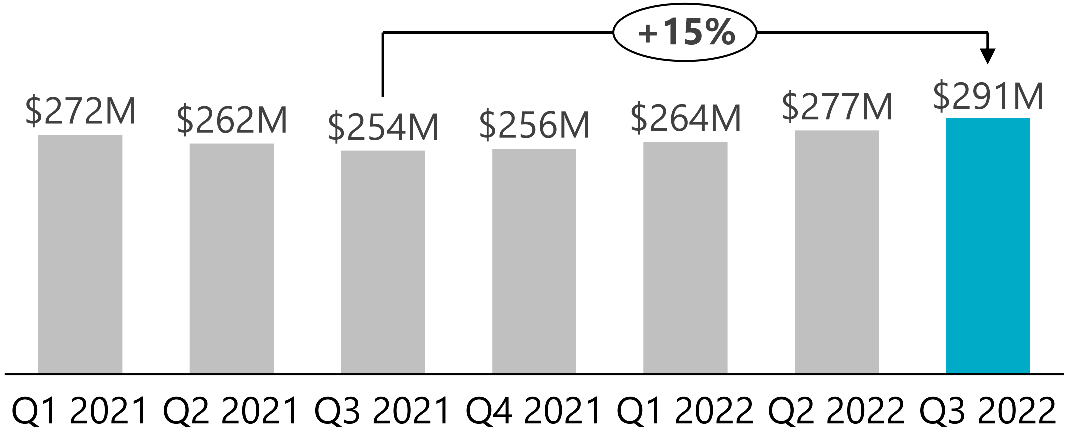
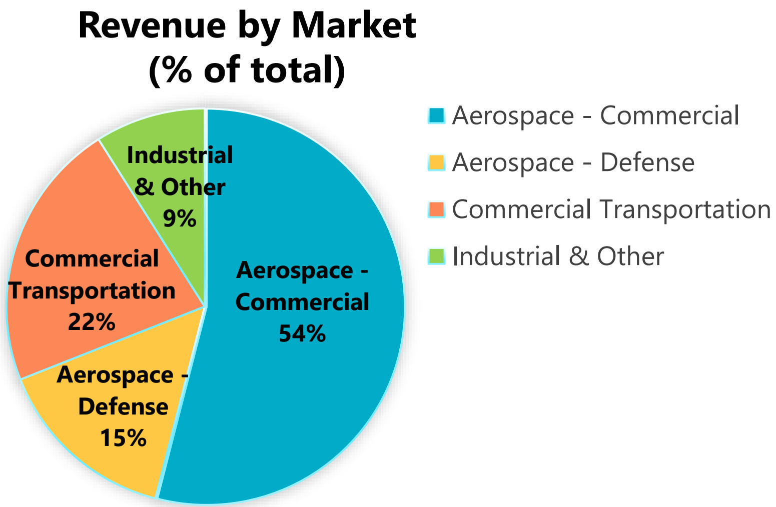
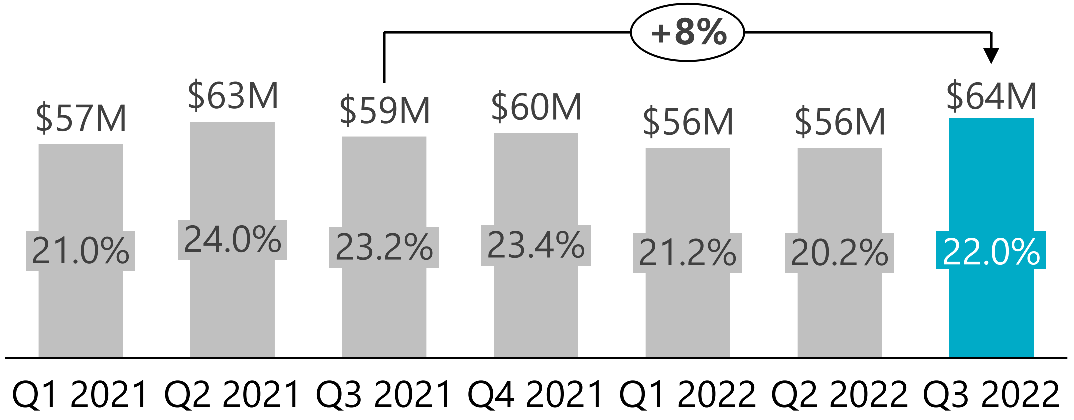
Fastening Systems: Revenue +15% due to Narrow Body, Adj EBITDA Margin 22.0%

3rd Party Revenue





Segment Adjusted EBITDA and Margin



Q3 2022 YoY

+ Narrow Body Recovery
+ Increased Net Headcount ~410 Q3 YTD 2022
– Boeing 787 Production Decline

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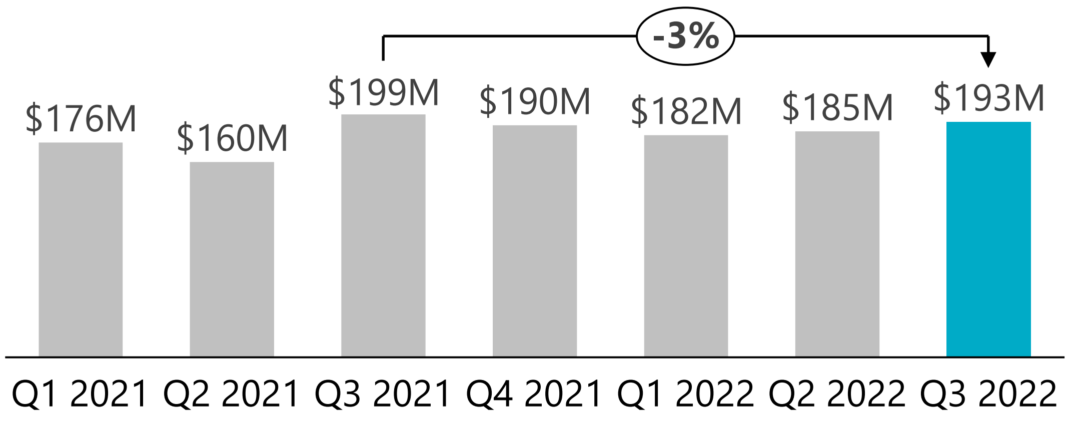
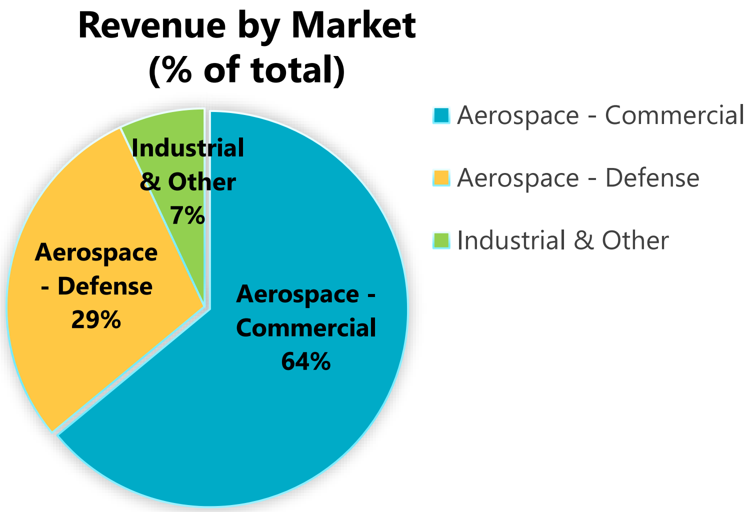
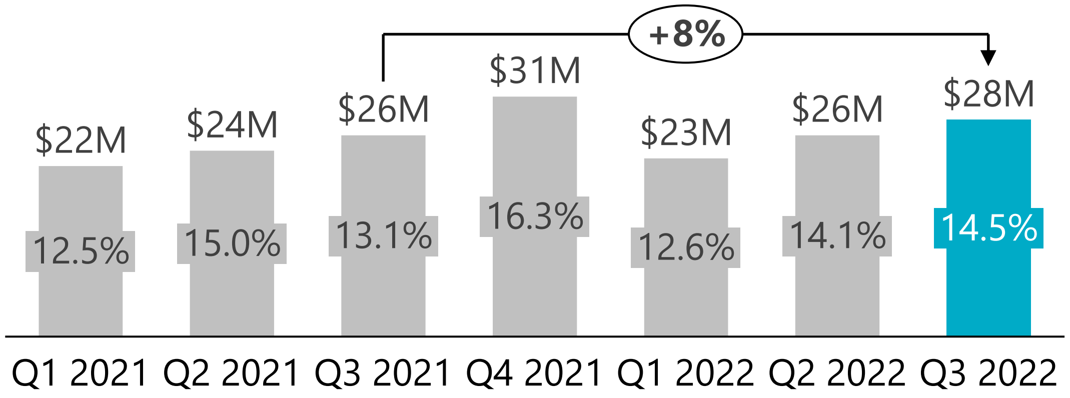
Engineered Structures: Adj EBITDA Margin Up 140 bps YoY, driven by Narrow Body

3rd Party Revenue





Segment Adjusted EBITDA and Margin



Q3 2022 YoY

+ Narrow Body Recovery
+ Material Cost Pass Through
– Boeing 787 Production Decline
– Defense Aerospace Decline

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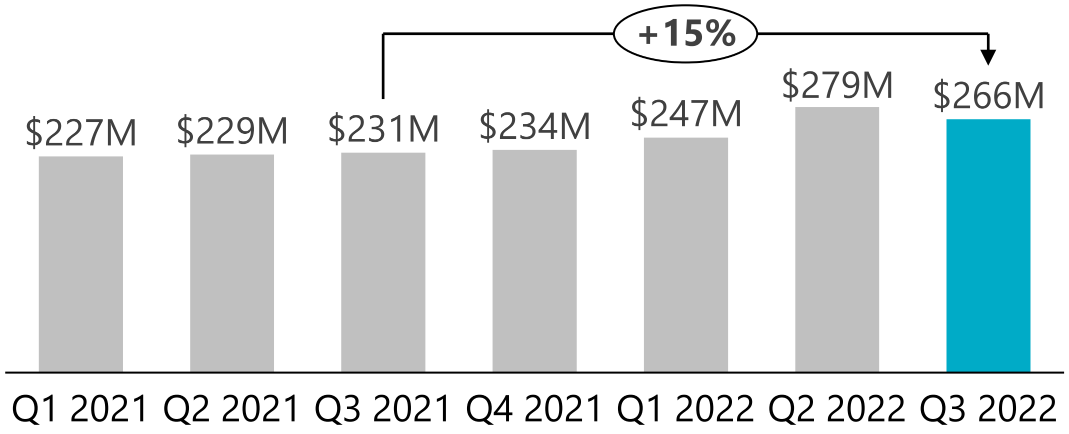
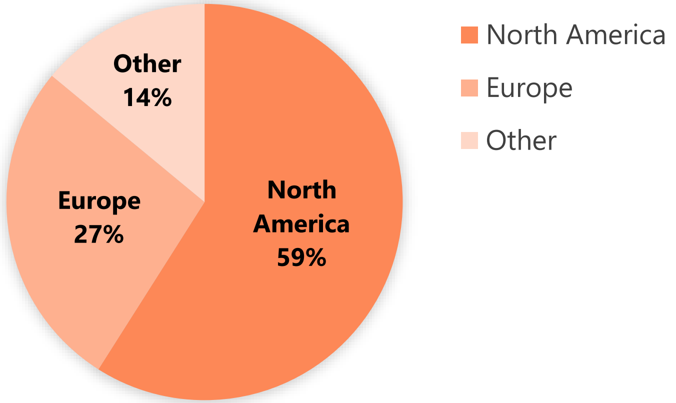
Forged Wheels: Volumes Up 2%; Material Pass Through and FX Compress Margins

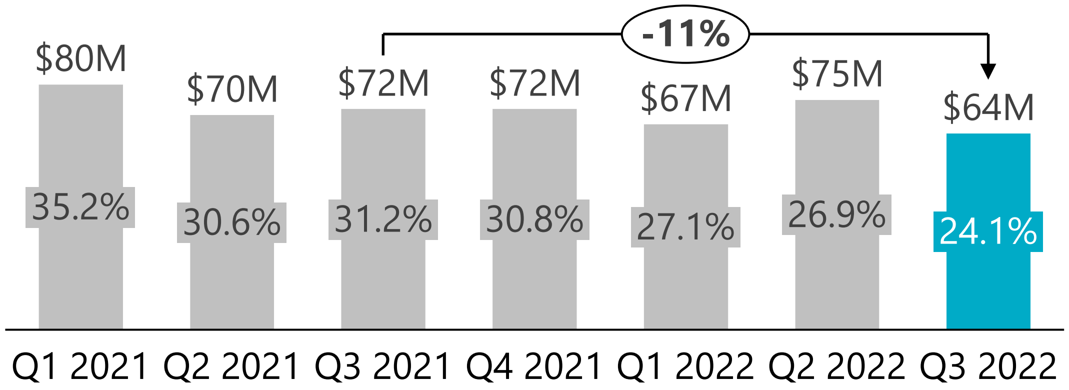
3rd Party Revenue



Revenue by Region (% of total)



Segment Adjusted EBITDA and Margin



Q3 2022 YoY

+ Volumes up 2%
– Unfavorable Foreign Currency
– Margin Impacted by Aluminum Material Cost Pass Through by 340 bps
– Margin Impacted by European Energy Cost Pass Through

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2022 Guidance

	Q4 2022 Guidance			FY 2022 Guidance		
	Low	Baseline	High	Low	Baseline	High
Revenue	$1.450B	$1.470B	$1.500B	$5.600B	$5.620B	$5.650B
Adj EBITDA[1]	$325M	$330M	$336M	$1.265B	$1.270B	$1.276B
Adj EBITDA Margin[1]	*22.4%*	*22.4%*	*22.4%*	*22.6%*	*22.6%*	*22.6%*
Adj Earnings per Share[1,2]	$0.37	$0.38	$0.39	$1.39	$1.40	$1.41
Free Cash Flow				$520M	$560M	$580M

What we expect in 2022

- FY 2022 Revenue up ~13% vs. FY 2021, includes ~$225M material pass through
- FY 2022 Adj EBITDA[1] up ~12% vs. FY 2021
- FY 2022 Adj EPS[1,2] up ~39% vs. FY 2021
- Pension/OPEB Contributions of ~$60M
- Capex of $200M - $215M vs. Depreciation and Amortization of ~$265M
- Free Cash Flow Conversion ~95%

2023 Preliminary Revenue Guidance up ~10% vs. FY 2022; +/- 2%

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1) Excluding special items 2) Assumes ~$2M per Quarter of deferred comp and other expenses in Q4 2022

Summary

Revenue / Profit Q3 2022	▪ Revenue up 12% YoY; Adj EBITDA[1] up 11% YoY; Adj Earnings Per Share[2] up 33% YoY ▪ Adj EBITDA[1] of $323M, in line with Guidance; Net Headcount up ~350 sequentially from Q2 2022 ▪ Adj EBITDA Margin[1] 22.5%, in line with Guidance; 23.7% excluding YoY material pass through
Liquidity Q3 YTD 2022	▪ Free Cash Flow[3] of $130M YTD, including ~($270M) Inventory build primarily for Comm Aero recovery ▪ Ending Cash Balance of $454M; including Repurchases of Common Stock and Quarterly Dividend ▪ Reduced YTD Pension/OPEB Liability ~$85M and YoY Pension Contributions/OPEB Payments ~45% YTD ▪ Maintained Net Debt-to-LTM EBITDA[4] of 3.0x. All Bond Debt unsecured and at fixed rates.
Guidance Expectations FY 2022	▪ Revenue up ~13% YoY; up ~9% YoY excluding material pass through ▪ Adj EBITDA[1] up ~12% YoY ▪ Adj Earnings Per Share[2] up ~39% YoY ▪ Free Cash Flow at $560M with Free Cash Flow Conversion of ~95%

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1) Adjusted EBITDA and EBITDA Margin excluding special items: Net Income (GAAP): Q3 2021 = $27M, Q3 2022 = $80M 2) Adjusted EPS excluding special items: EPS (GAAP): Q3 2021 = $0.06, Q3 2022 = $0.19 3) Q3 YTD 2022: Cash provided from operations = $278M, Cash used for financing activities = ($437M), Cash used for investing activities = ($106M) 4) Adjusted for special items; Last twelve month (LTM) Howmet adjusted EBITDA *See appendix for reconciliations*

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Appendix

2022 Assumptions

	Full Year 2022	2022 Comments; Change versus prior Guidance
Corporate Overhead	~$78M	• Adjusted EBITDA excluding special items
Depreciation and Amortization	**~$265M**	• Reduced by ~$5M
Interest Expense	~$230M	• Excludes debt issuance, breakage and tender fees
Operational Tax Rate	**~23.5%**	• Midpoint of Operational Tax Rate reduced by 50 bps. Q4 2022 ~22% • **Cash Tax Rate ~12%**; reduced by 300 bps
Pension / OPEB Expense	~$20M	• ~$5M Service Costs (included in Adjusted EBITDA) • ~$15M Non-Service Costs
Post-Tax Pension / OPEB Liability	**~$540M** Pension Liability; ~$130M OPEB Liability	• Applied U.S. federal corporate tax rate of 21% • Reduced Pension Liability by ~$20M
Pension / OPEB Contributions	~$60M	• Improvement from FY 2021 Contributions of $112M
Capex	$200M - **$215M**	• Less than Depreciation and Amortization; Source of Cash • Reduced upper end of the range by $10M
Diluted Share Count Average	**~421M**	• Q3 Diluted shares exit rate of ~419M • $335M common share buyback Q3 YTD 2022

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Bold denotes changes from previous Full Year 2022 assumptions

Reconciliation of Net Income and Diluted EPS Excluding Special Items

($ in millions, except per-share amounts)	Q3 2021	Q2 2022	Q3 2022	YTD 2022
Net income	**$27**	**$147**	**$80**	**$358**
Diluted EPS	**$0.06**	**$0.35**	**$0.19**	**$0.84**
Special items:				
Restructuring and other charges	**$8**	**$6**	**$4**	**$12**
Discrete tax items[(1)]	**$(12)**	**$(7)**	**$(2)**	**$(11)**
Other special items:				
Debt tender fees and related costs	$120	$2	$—	$2
Plant fire costs, net[(2)]	1	2	25	32
Judgment from legal proceeding[(3)]	—	—	65	65
Legal and other advisory reimbursements	—	—	—	(3)
Costs associated with closures, shutdowns, and other items	10	1	1	2
Other tax items	(2)	—	—	—
Total Other special items	**$129**	**$5**	**$91**	**$98**
Tax impact[(4)]	**$(32)**	**$(2)**	**$(21)**	**$(24)**
Net income excluding Special items	**$120**	**$149**	**$152**	**$433**
Diluted EPS excluding Special items	**$0.27**	**$0.35**	**$0.36**	**$1.02**

Net income excluding Special items and Diluted EPS excluding Special items are non-GAAP financial measures. Management believes that these measures are meaningful to investors because management reviews the operating results of the Company excluding the impacts of Restructuring and other charges, Discrete tax items, and Other special items (collectively, "Special items"). There can be no assurances that additional Special items will not occur in future periods. To compensate for this limitation, management believes that it is appropriate to consider both Net income determined under GAAP as well as Net income excluding Special items and Diluted EPS excluding Special items.

(1) Discrete tax items for each period are discussed further on the Reconciliation of the Operational Tax Rate.

(2) Plant fire costs, net for Q3 2022 and YTD 2022 includes charges related to three fires including an incident that occurred at the Company's cast house in Barberton, Ohio in the third quarter of 2022.

(3) Judgment from legal proceeding relates to the adverse ruling from the legal proceeding related to Lehman Brothers International (Europe) swaps that were entered into in 2007 and 2008, which were assumed as part of the Firth Rixson acquisition in 2014 and was recorded in Other expense, net in the Statement of Consolidated Operations.

(4) The Tax impact Special items is based on the applicable statutory rates whereby the difference between such rates and the Company's consolidated estimated annual effective tax rate is itself a Special item.

Reconciliation of Operational Tax Rate

($ in millions)	Quarter ended September 30, 2022			Nine months ended September 30, 2022		
	As reported	Special items [1][2]	As adjusted	As reported	Special items [1][2]	As adjusted
Income before income taxes	$104	$95	$199	$458	$110	$568
Provision for income taxes	$24	$23	$47	$100	$35	$135
Operational tax rate	23.1%		23.6%	21.8%		23.8%

Operational tax rate is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews the operating results of the Company excluding the impacts of Special items. There can be no assurances that additional Special items will not occur in future periods. To compensate for this limitation, management believes that it is appropriate to consider both the Effective tax rate determined under GAAP as well as the Operational tax rate.

(1) Special items for the quarter ended September 30, 2022 include judgment from legal proceeding $65, costs related to fires at three plants $25, Restructuring and other charges $4, and costs associated with closures, shutdowns, and other items $1. Special items for the nine months ended September 30, 2022 include judgment from legal proceeding $65, costs related to fires at three plants $32, Restructuring and other charges $12, debt tender fees and related costs $2, and costs associated with closures, shutdowns, and other items $2, partially offset by reimbursement related to legal and advisory charges ($3). On July 30, 2022, the Company’s cast house in Barberton, Ohio, which produces aluminum ingot used in the production of wheels for the North American commercial transportation market, experienced a mechanical failure resulting in substantial heat and fire-related damage to equipment.

(2) Tax Special items includes discrete tax items, the tax impact on Special items based on the applicable statutory rates, the difference between such rates and the Company's consolidated estimated annual effective tax rate and other tax related items. Discrete tax items for each period included the following:

- for the quarter ended September 30, 2022, a benefit for other small items ($2); and
- for the nine months ended September 30, 2022, a benefit to release a valuation allowance related to an interest carryforward tax attribute in the U.K. ($6) and an excess benefit for stock compensation ($5).

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Calculation of Segment Information

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Engine Products								
Third-party sales	$ 534	$ 544	$ 599	$ 605	$ 2,282	$ 631	$ 652	$ 683
Inter-segment sales	$ 1	$ 1	$ 1	$ 1	$ 4	$ 1	$ 1	$ 1
Provision for depreciation and amortization	$ 31	$ 30	$ 31	$ 32	$ 124	$ 31	$ 31	$ 31
Segment Adjusted EBITDA	$ 132	$ 130	$ 151	$ 151	$ 564	$ 173	$ 179	$ 186
Segment Adjusted EBITDA Margin	24.7 %	23.9 %	25.2 %	25.0 %	24.7 %	27.4 %	27.5 %	27.2 %
Depreciation and amortization % of Revenue	5.8 %	5.5 %	5.2 %	5.3 %	5.4 %	4.9 %	4.8 %	4.5 %
Restructuring and other charges	$ 5	$ 5	$ 5	$ 59	$ 74	$ 3	$ 4	$ 2
Capital expenditures	$ 11	$ 16	$ 21	$ 26	$ 74	$ 27	$ 24	$ 23
Fastening Systems								
Third-party sales	$ 272	$ 262	$ 254	$ 256	$ 1,044	$ 264	$ 277	$ 291
Inter-segment sales	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Provision for depreciation and amortization	$ 12	$ 13	$ 12	$ 12	$ 49	$ 12	$ 11	$ 11
Segment Adjusted EBITDA	$ 57	$ 63	$ 59	$ 60	$ 239	$ 56	$ 56	$ 64
Segment Adjusted EBITDA Margin	21.0 %	24.0 %	23.2 %	23.4 %	22.9 %	21.2 %	20.2 %	22.0 %
Depreciation and amortization % of Revenue	4.4 %	5.0 %	4.7 %	4.7 %	4.7 %	4.5 %	4.0 %	3.8 %
Restructuring and other charges (credits)	$ 2	$ 3	$ 3	$ (8)	$ —	$ (3)	$ —	$ —
Capital expenditures	$ 5	$ 9	$ 8	$ 20	$ 42	$ 15	$ 8	$ 7

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Calculation of Segment Information (continued)

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Engineered Structures								
Third-party sales	$ 176	$ 160	$ 199	$ 190	$ 725	$ 182	$ 185	$ 193
Inter-segment sales	$ 1	$ 2	$ 1	$ 2	$ 6	$ 1	$ 1	$ 3
Provision for depreciation and amortization	$ 12	$ 13	$ 12	$ 12	$ 49	$ 12	$ 12	$ 12
Segment Adjusted EBITDA	$ 22	$ 24	$ 26	$ 31	$ 103	$ 23	$ 26	$ 28
Segment Adjusted EBITDA Margin	12.5 %	15.0 %	13.1 %	16.3 %	14.2 %	12.6 %	14.1 %	14.5 %
Depreciation and amortization % of Revenue	6.8 %	8.1 %	6.0 %	6.3 %	6.8 %	6.6 %	6.5 %	6.2 %
Restructuring and other charges	$ 1	$ —	$ —	$ 15	$ 16	$ 2	$ 1	$ 1
Capital expenditures	$ 5	$ 5	$ 3	$ 8	$ 21	$ 7	$ 2	$ 3
Forged Wheels								
Third-party sales	$ 227	$ 229	$ 231	$ 234	$ 921	$ 247	$ 279	$ 266
Inter-segment sales	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Provision for depreciation and amortization	$ 10	$ 9	$ 10	$ 10	$ 39	$ 10	$ 10	$ 10
Segment Adjusted EBITDA	$ 80	$ 70	$ 72	$ 72	$ 294	$ 67	$ 75	$ 64
Segment Adjusted EBITDA Margin	35.2 %	30.6 %	31.2 %	30.8 %	31.9 %	27.1 %	26.9 %	24.1 %
Depreciation and amortization % of Revenue	4.4 %	3.9 %	4.3 %	4.3 %	4.2 %	4.0 %	3.6 %	3.8 %
Restructuring and other charges	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Capital expenditures	$ 9	$ 13	$ 15	$ 8	$ 45	$ 9	$ 5	$ 6

Calculation of Total Segment Adjusted EBITDA and Margin

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Third-party sales – Engine Products	$534	$544	$599	$605	$2,282	$631	$652	$683
Third-party sales – Fastening Systems	$272	$262	$254	$256	$1,044	$264	$277	$291
Third-party sales – Engineered Structures	$176	$160	$199	$190	$725	$182	$185	$193
Third-party sales – Forged Wheels	$227	$229	$231	$234	$921	$247	$279	$266
Total Segment third-party sales	$1,209	$1,195	$1,283	$1,285	$4,972	$1,324	$1,393	$1,433
Total Segment Adjusted EBITDA[1]	$291	$287	$308	$314	$1,200	$319	$336	$342
Total Segment Adjusted EBITDA margin	24.1%	24.0%	24.0%	24.4%	24.1%	24.1%	24.1%	23.9%

Total Segment Adjusted EBITDA and Total Segment Adjusted EBITDA margin are non-GAAP financial measures. Management believes that these measures are meaningful to investors because Total Segment Adjusted EBITDA and Total Segment Adjusted EBITDA margin provide additional information with respect to the operating performance and the Company's ability to meet its financial obligations. The Total Segment Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies. Howmet's definition of Total Segment Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation and amortization. Special items, including Restructuring and other charges, are excluded from net margin and Segment Adjusted EBITDA. Differences between the total segment and consolidated totals are in Corporate.

(1) See Reconciliation of Total Segment Adjusted EBITDA to Consolidated Income Before Income Taxes.

Reconciliation of Total Segment to Consolidated Totals

Reconciliation of Total Segment Adjusted EBITDA to Consolidated Income Before Income Taxes

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Income before income taxes	**$113**	**$110**	**$23**	**$78**	**$324**	**$171**	**$183**	**$104**
Loss on debt redemption	—	23	118	5	146	—	2	—
Interest expense	72	66	63	58	259	58	57	57
Other expense (income), net	4	8	1	6	19	1	(1)	67
Operating income	**$189**	**$207**	**$205**	**$147**	**$748**	**$230**	**$241**	**$228**
Segment provision for depreciation and amortization	65	65	65	66	261	65	64	64
Unallocated amounts:								
Restructuring and other charges	9	5	8	68	90	2	6	4
Corporate expense[(1)]	28	10	30	33	101	22	25	46
Total Segment Adjusted EBITDA	**$291**	**$287**	**$308**	**$314**	**$1,200**	**$319**	**$336**	**$342**

Total Segment Adjusted EBITDA is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because Total Segment Adjusted EBITDA provides additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The Total Segment Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies. Howmet's definition of Total Segment Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation and amortization. Special items, including Restructuring and other charges, are excluded from net margin and Segment Adjusted EBITDA. Differences between the total segment and consolidated totals are in Corporate.

(1) For the quarter ended March 31, 2021, Corporate expense included $10 of costs related to fires at two plants, net of reimbursement. For the quarter ended June 30, 2021, Corporate expense included ($4) of reimbursement related to legal and advisory charges and ($3) of net reimbursement related to fires at two plants. For the quarter ended September 30, 2021, Corporate expense included $10 of costs associated with closures, shutdowns, and other items and $1 of costs related to fires at two plants, net of reimbursement. For the quarter ended December 31, 2021, Corporate expense included $25 of costs associated with closures, shutdowns, and other items and ($11) of net reimbursement related to fires at two plants. For the quarter ended March 31, 2022, Corporate expense included $5 of costs related to fires at two plants and ($3) of reimbursement related to legal and advisory charges. For the quarter ended June 30, 2022, Corporate expense included $2 of costs related to fires at two plants and $1 of costs associated with closures, shutdowns, and other items. For the quarter ended September 30, 2022, Corporate expense included $25 of costs related to fires at three plants and $1 of costs associated with closures, shutdowns, and other items. On July 30, 2022, the Company's cast house in Barberton, Ohio, which produces aluminum ingot used in the production of wheels for the North American commercial transportation market, experienced a mechanical failure resulting in substantial heat and fire-related damage to equipment.

Adjusted Corporate Expense Excluding Depreciation and Special Items

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Corporate expense	$28	$10	$30	$33	$101	$22	$25	$46
Provision for depreciation and amortization	3	2	3	1	9	1	3	1
Adjusted Corporate expense excluding depreciation	$25	$8	$27	$32	$92	$21	$22	$45
Special items:								
Legal and other advisory reimbursements	$—	$(4)	$—	$—	$(4)	$(3)	$—	—
Plant fire costs (reimbursements), net	9	(3)	1	(11)	(4)	5	2	25
Costs associated with closures, shutdowns, and other items	—	—	10	25	35	—	1	1
Adjusted Corporate expense excluding depreciation and Special items	$16	$15	$16	$18	$65	$19	$19	$19

Adjusted Corporate expense excluding depreciation and Adjusted Corporate expense excluding depreciation and Special items are non-GAAP financial measures. Management believes that these measures are meaningful to investors because management reviews the operating results of the Company excluding the impacts of Special items. There can be no assurances that additional Special items will not occur in future periods. To compensate for this limitation, management believes that it is appropriate to consider both Corporate expense determined under GAAP as well as Adjusted Corporate expense excluding depreciation and Adjusted Corporate expense excluding depreciation and Special items.

Reconciliation of Adjusted EBITDA and Margin Excluding Special Items and Incremental Margin

($ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Net income	**$80**	**$74**	**$27**	**$77**	**$258**	**$131**	**$147**	**$80**
Add:								
Provision (benefit) for income taxes	$33	$36	$(4)	$1	$66	$40	$36	$24
Other expense (income), net	4	8	1	6	19	1	(1)	67
Loss on debt redemption	—	23	118	5	146	—	2	—
Interest expense, net	72	66	63	58	259	58	57	57
Restructuring and other charges	9	5	8	68	90	2	6	4
Provision for depreciation and amortization	68	67	68	67	270	66	67	65
Adjusted EBITDA	**$266**	**$279**	**$281**	**$282**	**$1,108**	**$298**	**$314**	**$297**
Add:								
Plant fire costs (reimbursements), net	$9	$(3)	$1	$(11)	$(4)	$5	$2	$25
Legal and other advisory reimbursements	—	(4)	—	—	(4)	(3)	—	—
Costs associated with closures, shutdowns, and other items	—	—	10	25	35	—	1	1
Adjusted EBITDA excluding Special items	**$275**	**$272**	**$292**	**$296**	**$1,135**	**$300**	**$317**	**$323**
Third-party sales	**$1,209**	**$1,195**	**$1,283**	**$1,285**	**$4,972**	**$1,324**	**$1,393**	**$1,433**
Adjusted EBITDA margin excluding Special items	**22.7%**	**22.8%**	**22.8%**	**23.0%**	**22.8%**	**22.7%**	**22.8%**	**22.5%**

	Q3 2021	Q3 2022	Q3 2022 YoY
Third-party sales	**$1,283**	**$1,433**	
Year-over-Year Material pass through		**(70)**	
Third-party sales excluding Material pass through (b)	**$1,283**	**$1,363**	**$80**
Adjusted EBITDA excluding Special items (a)	**$292**	**$323**	**$31**
Incremental Margin (a)/(b)			**39%**

Adjusted EBITDA, Adjusted EBITDA excluding Special items, and Adjusted EBITDA margin excluding Special items are non-GAAP financial measures. Management believes that these measures are meaningful to investors because they provide additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies. The Company's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold, Selling, general administrative, and other expenses, Research and development expenses, and Provision for depreciation and amortization.

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Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin Excluding Special Items and Material Pass Through

($ in millions)	Q1 2022	Q2 2022	Q3 2022
Net income	**$131**	**$147**	**$80**
Add:			
Provision for income taxes	**$40**	**$36**	**$24**
Other expense (income), net	**1**	**(1)**	**67**
Loss on debt redemption	**—**	**2**	**—**
Interest expense, net	**58**	**57**	**57**
Restructuring and other charges	**2**	**6**	**4**
Provision for depreciation and amortization	**66**	**67**	**65**
Adjusted EBITDA	**$298**	**$314**	**$297**
Add:			
Plant fire costs, net	**$5**	**$2**	**$25**
Legal and other advisory reimbursements	**(3)**	**—**	**—**
Costs associated with closures, shutdowns, and other items	**—**	**1**	**1**
Adjusted EBITDA excluding Special items (a)	**$300**	**$317**	**$323**
Third-party sales (b)	**$1,324**	**$1,393**	**$1,433**
Year-over-Year Material pass through	**(40)**	**(60)**	**(70)**
Third-party sales excluding Year-over-Year Material pass through (c)	**$1,284**	**$1,333**	**$1,363**
Adjusted EBITDA margin excluding Special items (a)/(b)	**22.7%**	**22.8%**	**22.5%**
Adjusted EBITDA margin excluding Special items and Year-over-Year Material pass through (a)/(c)	**23.4%**	**23.8%**	**23.7%**

Adjusted EBITDA, Adjusted EBITDA excluding Special items, Adjusted EBITDA margin excluding Special items, and Adjusted EBITDA margin excluding Special items and Year-over-Year Material pass through are non-GAAP financial measures. Management believes that these measures are meaningful to investors because they provide additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies. The Company's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold, Selling, general administrative, and other expenses, Research and development expenses, and Provision for depreciation and amortization.

Reconciliation of Free Cash Flow

($ in millions)	Q1 2022	Q2 2022	Q3 2022	YTD 2022
Cash provided from operations	$55	$158	$65	$278
Capital expenditures	(62)	(44)	(42)	(148)
Free cash flow	$(7)	$114	$23	$130

The Accounts Receivable Securitization program remains unchanged at $250 outstanding.

The proceeds from the sale of the corporate center in the second quarter are part of cash provided from investing activities which are not included in Free cash flow.

Free cash flow is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures (due to the fact that these expenditures are considered necessary to maintain and expand the Company's asset base and are expected to generate future cash flows from operations). It is important to note that Free cash flow does not represent the residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure.

Reconciliation of Net Debt

($ in millions)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Short-term debt	$14	$5	$3	$1	$1
Long-term debt, less amount due within one year	4,272	4,227	4,228	4,169	4,170
Total debt	$4,286	$4,232	$4,231	$4,170	$4,171
Less: Cash, cash equivalents, and restricted cash	726	722	522	538	454
Net debt	$3,560	$3,510	$3,709	$3,632	$3,717

Net debt is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management assesses the Company's leverage position after factoring in cash that could be used to repay outstanding debt.

Reconciliation of Net Debt to Adjusted EBITDA Excluding Special Items

($ in millions)	Trailing-12 months ended June 30, 2022	Trailing-12 months ended September 30, 2022
Net income	$ 382	$ 435
Add:		
Provision for income taxes	$ 73	$ 101
Other expense, net	7	73
Loss on debt redemption	125	7
Interest expense, net	236	230
Restructuring and other charges	84	80
Provision for depreciation and amortization	268	265
Adjusted EBITDA	$ 1,175	$ 1,191
Add:		
Plant fire (reimbursements) costs, net	$ (3)	$ 21
Legal and other advisory reimbursements	(3)	(3)
Costs associated with closures, shutdowns, and other items	36	27
Adjusted EBITDA Margin excluding Special items	$ 1,205	$ 1,236
Net debt	$ 3,632	$ 3,717
Net debt to Adjusted EBITDA Margin excluding Special items	3.0	3.0

The Company's definition of Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) is net margin plus an add-back for depreciation and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation and amortization. Management believes that Adjusted EBITDA, Adjusted EBITDA excluding Special items and Adjusted EBITDA Margin excluding Special items are meaningful to investors because it provides additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

Net debt is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management assesses the Company's leverage position after factoring in cash that could be used to repay outstanding debt. See prior page for reconciliation.

Calculation of Segment Markets Revenue

($ in millions)	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
Third quarter ended September 30, 2021					
Aerospace - Commercial	$299	$126	$118	$—	$543
Aerospace - Defense	$130	$37	$65	$—	$232
Commercial Transportation	$—	$59	$—	$231	$290
Industrial and Other	$170	$32	$16	$—	$218
Third-party sales market revenue	**$599**	**$254**	**$199**	**$231**	**$1,283**
Second quarter ended June 30, 2022					
Aerospace - Commercial	$362	$155	$108	$—	$625
Aerospace - Defense	$123	$37	$63	$—	$223
Commercial Transportation	$—	$53	$—	$279	$332
Industrial and Other	$167	$32	$14	$—	$213
Third-party sales market revenue	**$652**	**$277**	**$185**	**$279**	**$1,393**
Third quarter ended September 30, 2022					
Aerospace - Commercial	$388	$156	$124	$—	$668
Aerospace - Defense	$124	$43	$56	$—	$223
Commercial Transportation	$—	$63	$—	$266	$329
Industrial and Other	$171	$29	$13	$—	$213
Third-party sales market revenue	**$683**	**$291**	**$193**	**$266**	**$1,433**

Differences between the total segment and consolidated totals are in Corporate.

Revenue includes impacts of foreign currency and material pass through.

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