

First Quarter 2024 Earnings Call

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

May 2, 2024



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", "envisions", "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 dividends and 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) deterioration in global economic and financial market conditions generally; (b) unfavorable changes in the markets served by Howmet Aerospace; (c) the impact of potential cyber attacks and information technology or data security breaches; (d) the loss of significant customers or adverse changes in customers' business or financial conditions; (e) manufacturing difficulties or other issues that impact product performance, quality or safety; (f) inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (g) failure to attract and retain a qualified workforce and key personnel, labor disputes or other employee relations issues; (h) the inability to achieve revenue growth, cash generation, 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, conflicts and wars, 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, 2023 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. Credit ratings are not a recommendation to buy or hold any Howmet Aerospace securities, and they may be revised or revoked at any time at the sole discretion of the rating organizations. 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.

Other Information

In this presentation: where values are denoted, M=USD millions and B=USD billions; YTD=year to date; YOY=year over year; FY=full year; Q=quarter; and references to Howmet Aerospace performance that is "record" means its best result since April 1, 2020 when Howmet Aerospace Inc. (previously named Arconic Inc.) separated from Arconic Corporation.

Q1 2024 Highlights

Revenue and Profitability Excluding Special Items ^{1,2}	Q1 2023	Q4 2023	Q1 2024	Q1 YoY
Revenue	\$1.603B	\$1.731B	\$1.824B	+14%
Adj EBITDA ¹	\$360M	\$398M	\$437M	+21%
Adj EBITDA Margin ¹	22.5%	23.0%	24.0%	+150 bps
Adj Operating Income ¹	\$291M	\$330M	\$370M	+27%
Adj Operating Income Margin ¹	18.2%	19.1%	20.3%	+210 bps
Adj Earnings Per Share ²	\$0.42	\$0.53	\$0.57	+36%

Q1 2024 Balance Sheet and Cash Flow

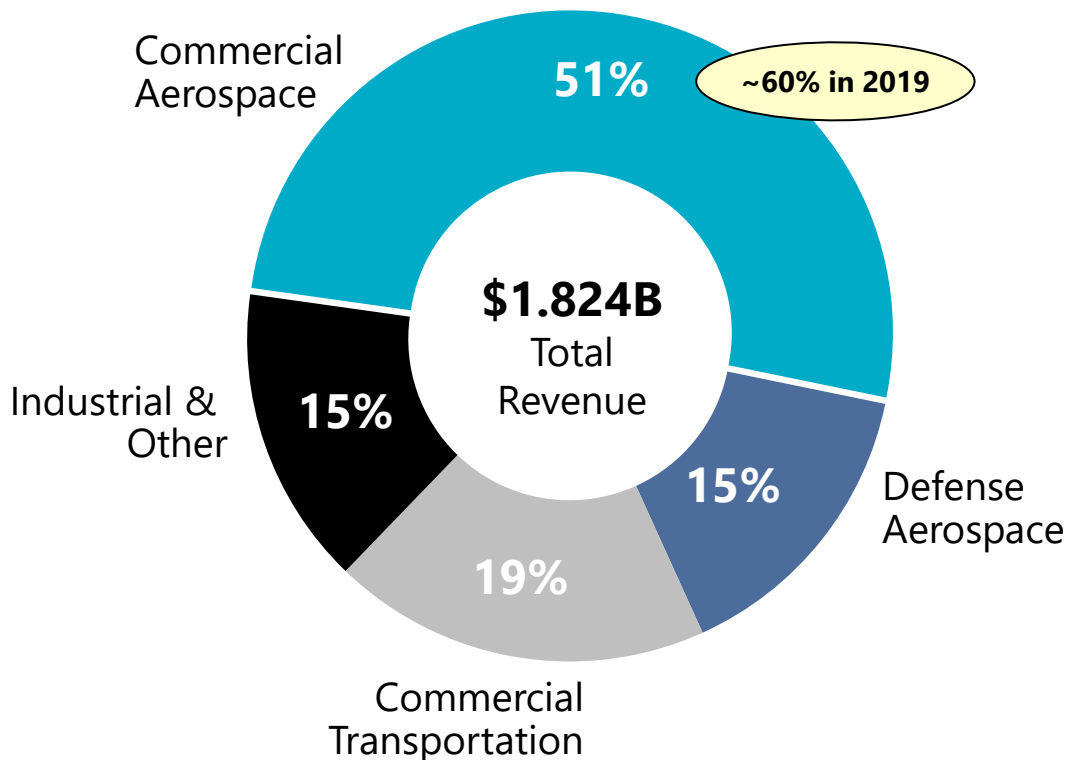
- Record Q1 Free Cash Flow³ of \$95M
- Capital Deployment: ~\$170M for Common Stock Repurchases and Quarterly Dividends
- Repurchased \$150M of Common Stock at an Avg Price of ~\$66.87 per Share
- Net Debt-to-LTM EBITDA⁴ improved to a record low 2.0x; All Long-Term Debt Unsecured at Fixed Rates



1) Net Income (GAAP): Q1 2023 = \$148M, Q4 2023 = \$236M, Q1 2024 = \$243M; Operating income (GAAP): Q1 2023 = \$285M, Q4 2023 = \$326M, Q1 2024 = \$369M; Operating income margin (GAAP): Q1 2023 = 17.8%, Q4 2023 = 18.8%, Q1 2024 = 20.2% 2) EPS (GAAP): Q1 2023 = \$0.35, Q4 2023 = \$0.57, Q1 2024 = \$0.59 3) Q1 2024: Cash provided from operations = \$177M, Cash used for financing activities = (\$178M), Cash used for investing activities = (\$75M) 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA See appendix for reconciliations

Q1 2024 Revenue Up 14% YoY, Commercial Aerospace Up 23% YoY

Revenue by Market
(% of total)



Revenue by Market
(% change)

	YoY	Sequential
Commercial Aerospace	23%	5%
Defense Aerospace	12%	12%
Commercial Transportation	1%	5%
Industrial & Other ¹	7%	2%
Total Revenue	14%	5%

Q1 2024: Revenue Up 14% YoY, Adj EBITDA Margin¹ 24.0%, Adj EPS² Up 36% YoY

Enhanced Profitability

- Exceeded high-end of guidance on Revenue, Adj EBITDA¹, Adj EBITDA Margin¹ and Adj Earnings Per Share²
- Revenue up 14% YoY
- Adj EBITDA¹ of \$437M, up 21% YoY. Adj EBITDA Margin¹ of 24.0%, up ~150 bps YoY
- Adj Earnings Per Share² of \$0.57, up 36% YoY

Strong Balance Sheet and Cash Flow

- Healthy Cash Balance of \$534M; Record Q1 Free Cash Flow³ of \$95M
- Net Debt-to-LTM EBITDA⁴ improved to a record low 2.0x
- Q1 Moody's Upgrade to Investment Grade; Rated Investment Grade by all Credit Rating Agencies

Capital Deployment

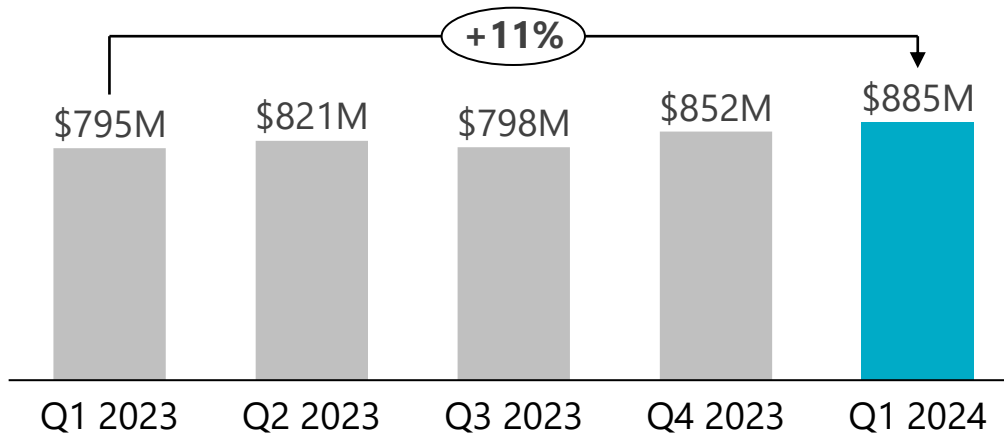
- Capital Deployment: ~\$170M for Common Stock Repurchases and Quarterly Dividends
- Common Stock Repurchases: ~\$150M; Twelve Consecutive Quarters
- Paid Quarterly Dividend at \$0.05 per share of Common Stock in Q1



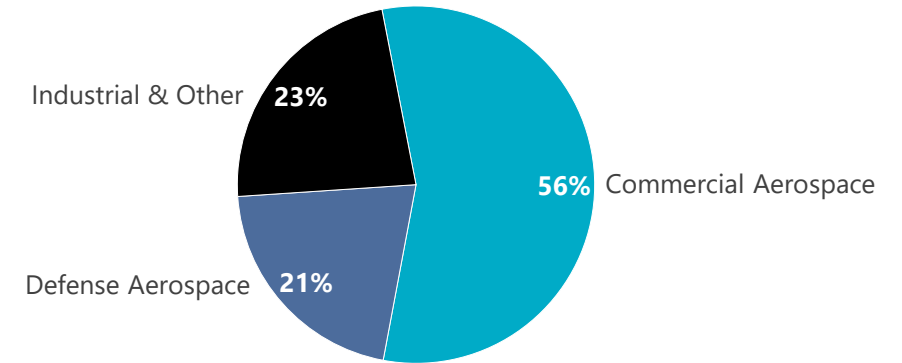
1) Adjusted EBITDA and EBITDA Margin excluding special items: Net Income (GAAP): Q1 2023 = \$148M, Q1 2024 = \$243M; Operating income (GAAP): Q1 2023 = \$285M, Q1 2024 = \$369M; Operating income margin (GAAP): Q1 2023 = 17.8%, Q1 2024 = 20.2% 2) Adjusted EPS excluding special items: EPS (GAAP): Q1 2023 = \$0.35, Q1 2024 = \$0.59 3) Q1 2024: Cash provided from operations = \$177M, Cash used for financing activities = (\$178M), Cash used for investing activities = (\$75M) 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA
See appendix for reconciliations

Engine Products: Revenue Up 11% Q1 YoY; Adj EBITDA Margin 28.1%

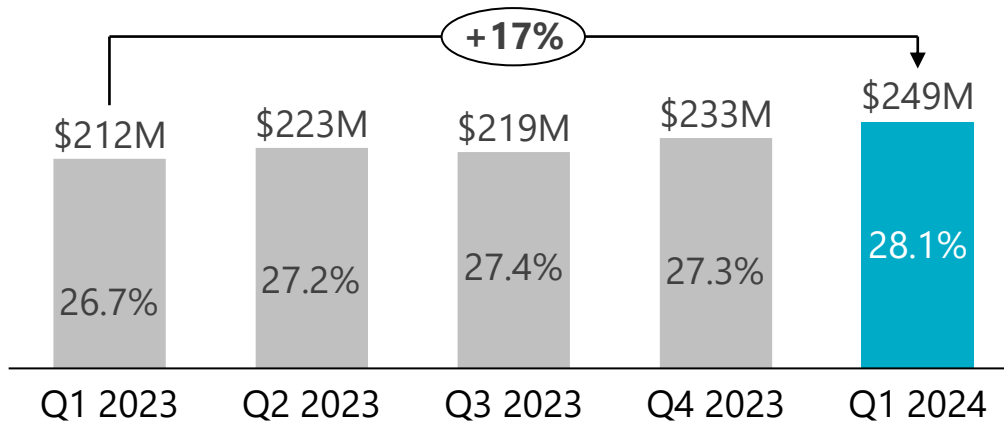
3rd Party Revenue



Q1 Revenue by Market (% of total)



Segment Adjusted EBITDA and Margin

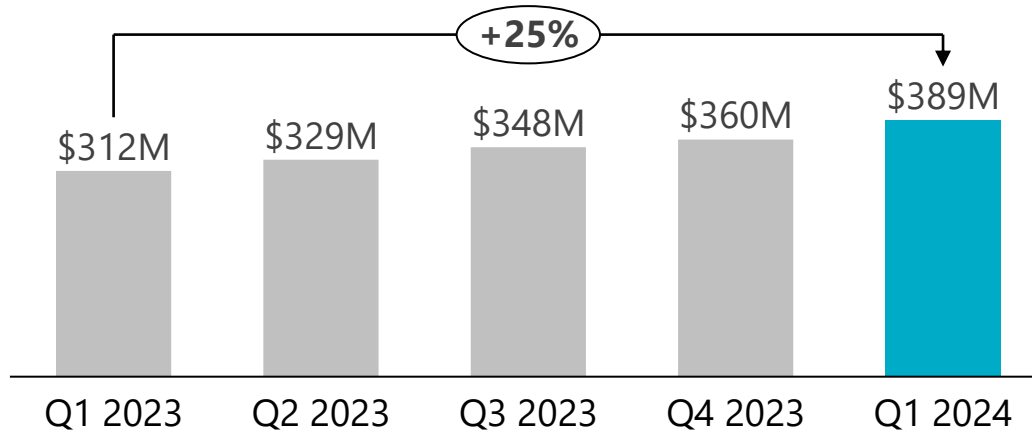


Q1 2024 YoY

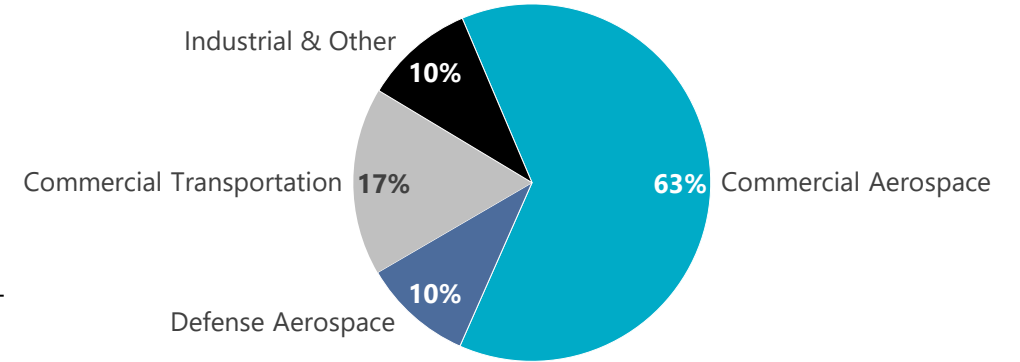
- + Commercial Aero Build Rates / Spares Growth
- + Defense Engine Build Rates / Spares Growth
- + Oil & Gas Growth

Fastening Systems: Revenue Up 25% Q1 YoY; Adj EBITDA Margin 23.7%

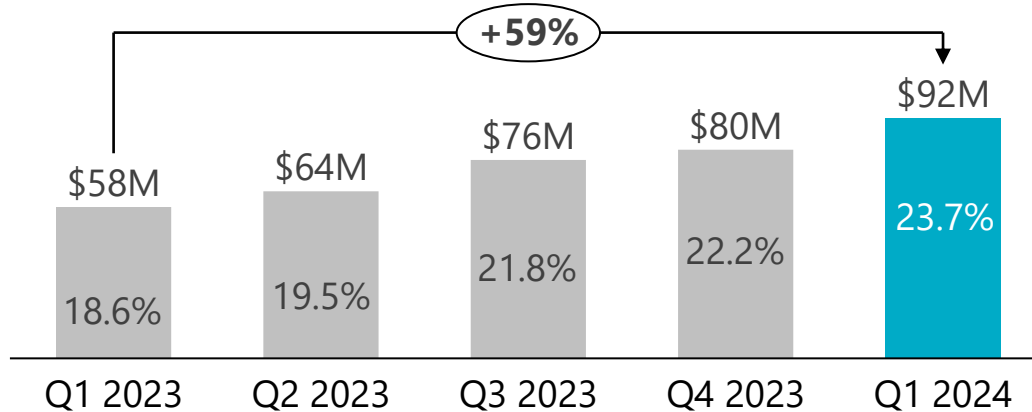
3rd Party Revenue



Q1 Revenue by Market (% of total)



Segment Adjusted EBITDA and Margin

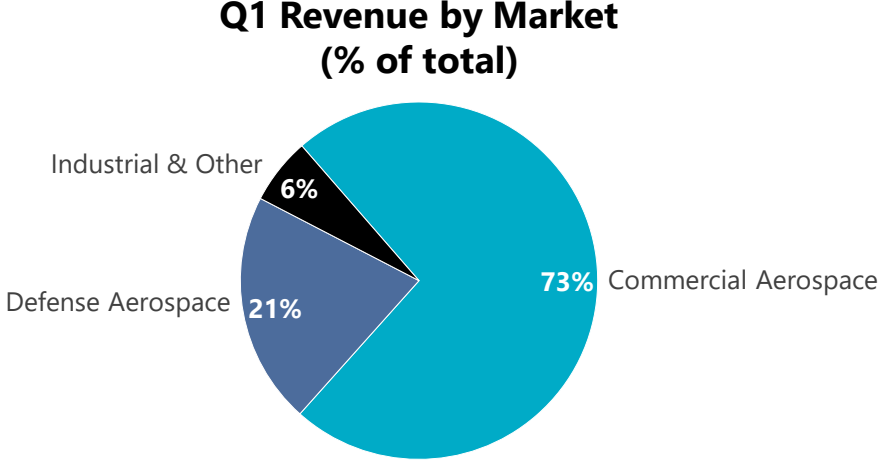
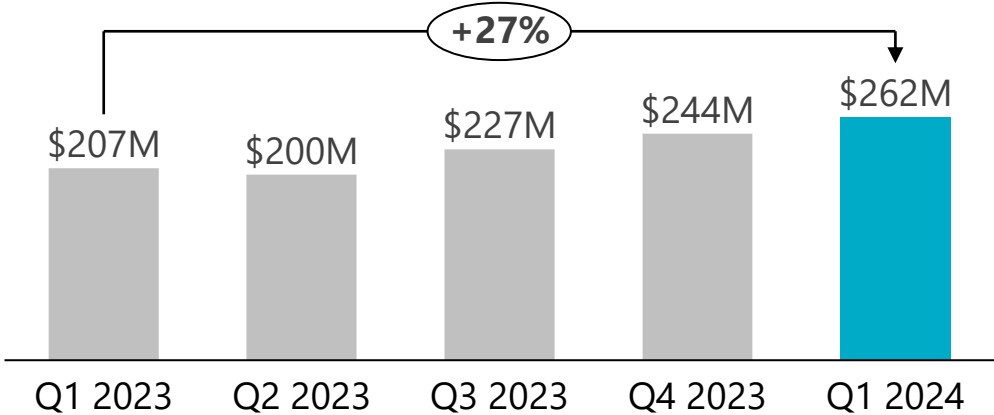


Q1 2024 YoY

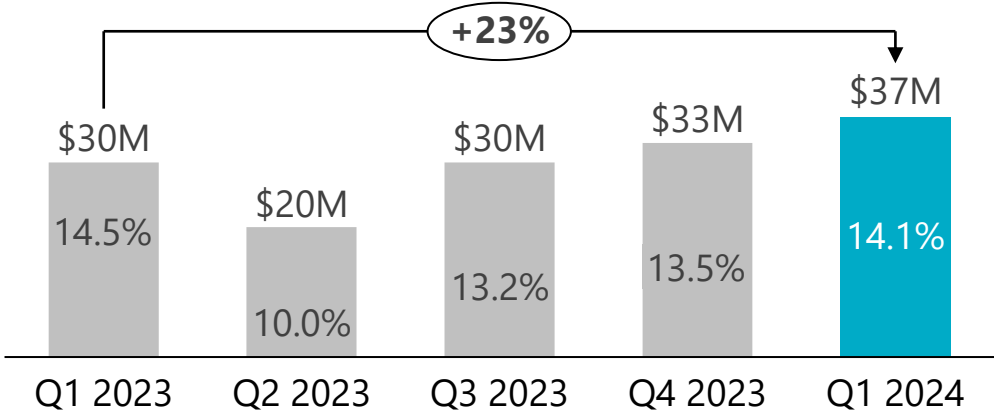
- + Commercial Aero Growth
- + Wide Body Recovery
- + Strong Productivity Gains

Engineered Structures: Revenue Up 27% Q1 YoY; Adj EBITDA Margin 14.1%

3rd Party Revenue



Segment Adjusted EBITDA and Margin

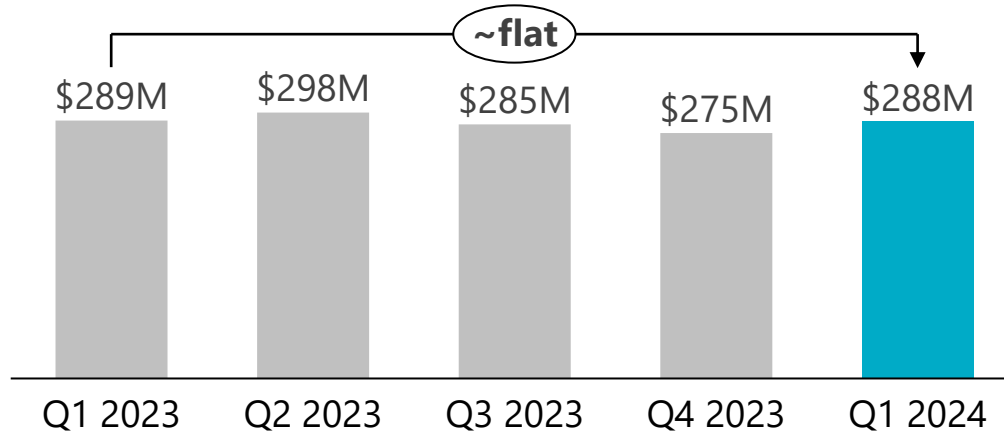


Q1 2024 YoY

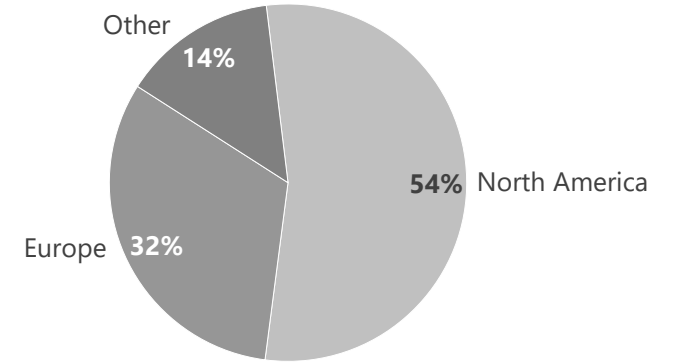
- + Commercial Aero Growth
- + Wide Body Recovery
- + Defense Aero Stabilizing

Forged Wheels: Volume Up 2% Q1 YoY; Adj EBITDA Margin 28.5%

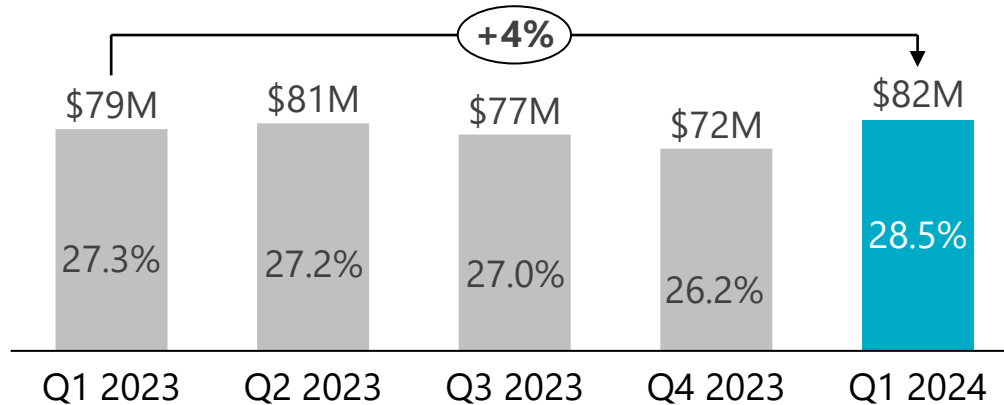
3rd Party Revenue



Q1 Revenue by Region (% of total)



Segment Adjusted EBITDA and Margin



Q1 2024 YoY

- + Volume up 2% Q1 YoY
- + Volume up 5% Q1 Sequentially
- Commercial Transport. Market Softening

On Track to Achieve 2024 GHG Goal, Establishing New 2027 GHG Goal

Environmental Achievements | 2023 Reductions vs 2022



13.6%
GHG Intensity
Improvement



13.1%
Energy Intensity
Improvement



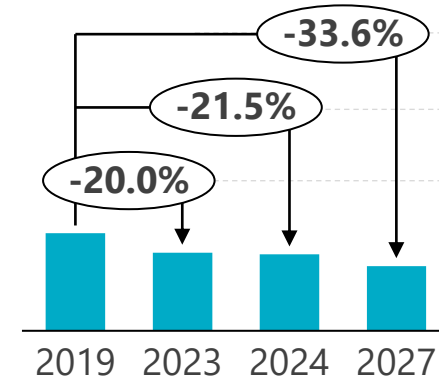
11.7%
Freshwater
Withdrawal
Intensity
Improvement



1.9%
Hazardous
Waste
Decrease



GHG Emissions
Reduction



Goal by 2027

Goal by 2024

Achieved to date

- Achieved 20% reduction vs 2019 baseline
- Implemented 25,000 MT CO_{2e} reduction initiatives in 2023
- New goal to reduce GHG Emissions 33.6% by 2027 vs 2019 baseline

Commitment to Safety, Diversity, Equity and Inclusion

Safety

Days Away, Restricted and Transfer (DART) rate **7x** better than industry average

Diversity and Inclusion

Women and US Minority representation increased since 2020:

- **Women up** from ~25% to ~27%
- **US Minorities up** from ~38% to ~42%

Governance



Board Diversity

Recognized by **50/50 Women on Boards** for having **30%** of our **Board of Directors** composed of **women**



Supply Chain

86% of assessed suppliers have **sustainability programs** considered good or better

2024 Guidance

	Q2 2024 Guidance			FY 2024 Guidance			What we expect in 2024
	<u>Low</u>	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Baseline</u>	<u>High</u>	
Revenue	\$1.825B	\$1.835B	\$1.845B	\$7.225B	\$7.300B	\$7.375B	<ul style="list-style-type: none"> ▪ FY 2024 Revenue up ~10% vs. FY 2023 ▪ FY 2024 Adj EBITDA¹ up ~16% vs. FY 2023 ▪ FY 2024 Adj EPS^{1,2} up ~28% vs. FY 2023 ▪ Capex of \$275M - \$305M vs. Depreciation and Amortization of ~\$270M ▪ Free Cash Flow Conversion ~85%; +/- 5%
				Baseline Change ▶	+\$200M		
Adj EBITDA¹	\$435M	\$440M	\$445M	\$1.720B	\$1.750B	\$1.780B	
<i>Adj EBITDA Margin¹</i>	23.8%	24.0%	24.1%	23.8%	24.0%	24.1%	
				Baseline Change ▶	+\$115M +100 bps		
Adj Earnings per Share^{1,2}	\$0.57	\$0.58	\$0.59	\$2.31	\$2.35	\$2.39	
				Baseline Change ▶	+\$0.20		
Free Cash Flow				\$750M	\$800M	\$850M	
				Baseline Change ▶	+\$65M		

Summary

Revenue / Profit Q1 2024

- Revenue of \$1.82B, up 14% YoY, driven by Commercial Aerospace up 23% YoY
- Adj EBITDA¹ of \$437M, up 21% YoY
- Adj EBITDA Margin¹ of 24.0%, up ~150 bps YoY
- Adj Earnings Per Share² of \$0.57, up 36% YoY

Cash Generation / Deployment Q1 2024

- Record Q1 Free Cash Flow³ of \$95M
- Capital Deployment: ~\$170M for Common Stock Repurchases and Quarterly Dividends
- Common Stock Repurchases: ~\$150M; Twelve Consecutive Quarters
- Net Debt-to-LTM EBITDA⁴ improved to record low 2.0x; Rated Investment Grade by all Credit Rating Agencies

Guidance Expectations FY 2024

- Expect Revenue up ~10% YoY, Adj EBITDA¹ up ~16% YoY, Adj Earnings Per Share² up ~28% YoY
- Expect Free Cash Flow of ~\$800M, up ~17% YoY, with Free Cash Flow Conversion of ~85%; +/- 5%
- Expect Net Debt-to-LTM EBITDA⁴ less than ~2x at year end
- Expect to Increase Common Stock Dividend⁵ by 40% to \$0.07 in Q3 2024



1) Adjusted EBITDA and EBITDA Margin excluding special items: Net Income (GAAP): Q1 2023 = \$148M, Q1 2024 = \$243M; Operating income (GAAP): Q1 2023 = \$285M, Q1 2024 = \$369M; Operating income margin (GAAP): Q1 2023 = 17.8%, Q1 2024 = 20.2% 2) Adjusted EPS excluding special items: EPS (GAAP): Q1 2023 = \$0.35, Q1 2024 = \$0.59 3) Q1 2024: Cash provided from operations = \$177M, Cash used for financing activities = (\$178M), Cash used for investing activities = (\$75M) 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA 5) Future dividends are subject to the discretion and approval of the Board of Directors See appendix for reconciliations



**HOWMET
AEROSPACE**

Appendix

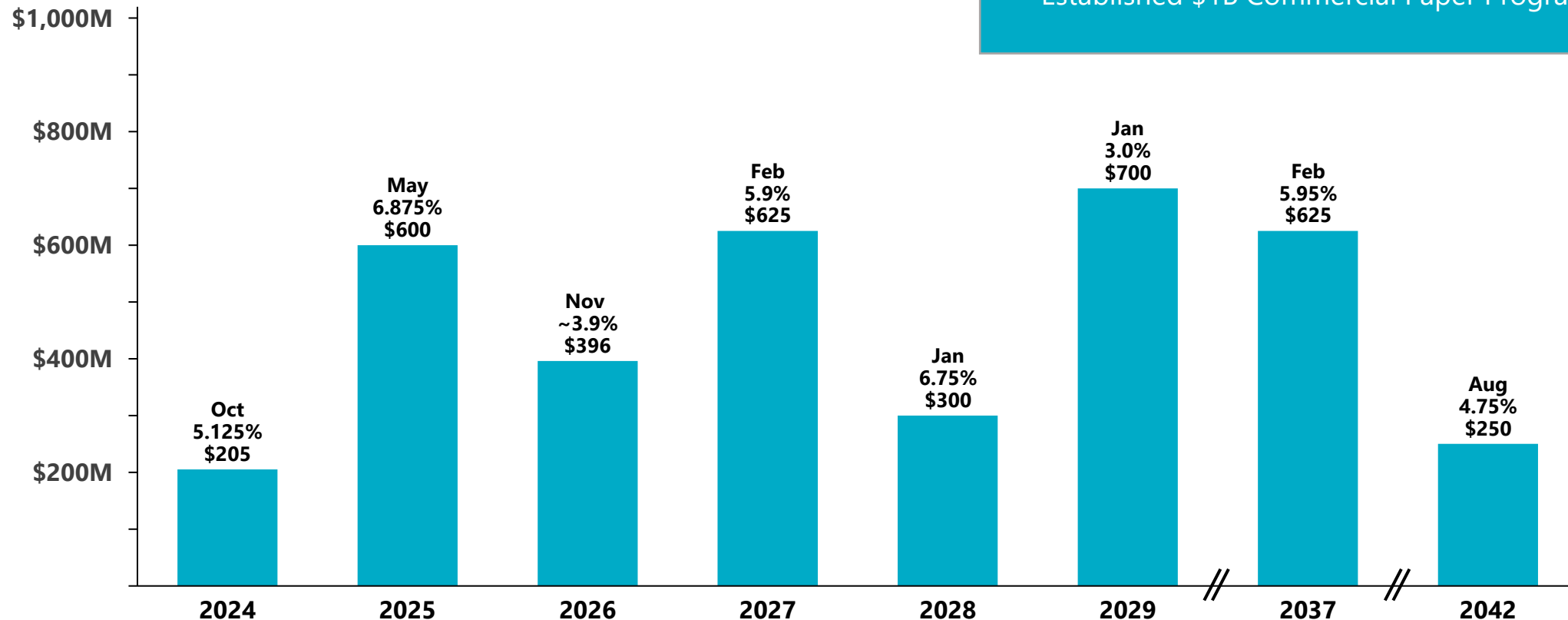


2024 Assumptions

	Full Year 2024	2024 Comments
Corporate Overhead ¹	~ \$83M <i>Previous: ~\$80M</i>	<ul style="list-style-type: none"> Included in Adj EBITDA¹
Depreciation and Amortization	~\$270M	
Interest Expense	~\$200M	<ul style="list-style-type: none"> Excludes any potential debt issuance, breakage, and tender fees
Operational Tax Rate	21.0% – 22.0%	<ul style="list-style-type: none"> Cash Tax Rate ~15%
Pension / OPEB Expense	~ \$40M <i>Previous: ~\$50M</i>	<ul style="list-style-type: none"> ~\$5M Service Costs (included in Adj EBITDA¹) ~\$35M Non-Service Costs (excluded from Adj EBITDA¹) Up ~\$5M YoY
Miscellaneous Other Expenses	(\$5M) – \$15M	<ul style="list-style-type: none"> Included in Other expense (income), net Examples are deferred compensation and foreign currency impacts
Post-Tax Pension / OPEB Liability	~\$525M Pension Liability; ~\$80M OPEB Liability	<ul style="list-style-type: none"> Applied U.S. federal corporate tax rate of 21%
Pension / OPEB Contributions	~\$65M	<ul style="list-style-type: none"> Up ~\$15M YoY
Capex	\$275M – \$305M	<ul style="list-style-type: none"> Increase driven by Engine Products Capacity Expansion Up ~\$70M YoY
Diluted Share Count Average	~ 411M <i>Previous: ~413M</i>	<ul style="list-style-type: none"> Q1 2024 Diluted shares exit rate of ~411M \$150M common share buyback in Q1 2024 Excludes any potential additional common stock repurchases

Robust Liquidity; Each Debt Tower Below 2024 Free Cash Flow Expectations

- All Debt at Fixed Rates and Unsecured
- Investment Grade by all Credit Rating Agencies
- Undrawn Revolver of \$1B
- Established \$1B Commercial Paper Program



Reconciliation of Net Income and Diluted EPS Excluding Special Items

(\$ in millions, except per-share amounts)	Q1 2023	Q4 2023	Q1 2024
Net income	\$148	\$236	\$243
Diluted EPS	\$0.35	\$0.57	\$0.59
Special items:			
Restructuring and other charges ⁽¹⁾	\$1	\$15	\$—
Loss on debt redemption and related costs	1	1	—
Plant fire costs (reimbursements), net	4	(13)	—
Costs associated with closures, supply chain disruptions, and other items	1	2	1
Subtotal: Pre-tax special items	\$7	\$5	\$1
Tax impact of Pre-tax special items ⁽²⁾	(1)	—	—
Subtotal	\$6	\$5	\$1
Discrete and other tax special items ⁽³⁾	\$21	\$(23)	\$(6)
Total: After-tax special items	\$27	\$(18)	\$(5)
Net income excluding Special items	\$175	\$218	\$238
Diluted EPS excluding Special items	\$0.42	\$0.53	\$0.57

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⁾ Q4 2023 includes a non-cash Special item of asset impairments and accelerated depreciation \$13.

⁽²⁾ The Tax impact of Pre-tax 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.

⁽³⁾ Discrete tax items for Q1 2024 are discussed further in the Reconciliation of the Operational Tax Rate. Discrete tax items for Q1 2023 included a charge for a tax reserve established in France \$20 and a net charge for other small items \$1. Discrete tax items for Q4 2023 included a benefit to release a valuation allowance related to U.S. foreign tax credits (\$14), a net benefit for other small items (\$4), a benefit to release a valuation allowance related to U.S. and state tax losses and tax credits (\$2), and a benefit to revalue deferred taxes for changes to apportioned U.S. state tax rates (\$2).

Reconciliation of Operational Tax Rate

(\$ in millions)

	Quarter ended March 31, 2024		
	Effective tax rate, as reported	Special items ⁽¹⁾⁽²⁾	Operational tax rate, as adjusted
Income before income taxes	\$303	\$1	\$304
Provision for income taxes	\$60	\$6	\$66
Tax rate	19.8%		21.7%

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⁾ Pre-tax special items for the quarter ended March 31, 2024 included Costs associated with closures, supply chain disruptions, and other items \$1.

⁽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 the quarter ended March 31, 2024 included a benefit to release a valuation allowance related to U.S. foreign tax credits (\$6), and a net benefit for other small items (\$1).

Calculation of Segment Markets Revenue

(\$ in millions)	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
First quarter ended March 31, 2023					
Aerospace - Commercial	\$432	\$170	\$152	\$—	\$754
Aerospace - Defense	\$163	\$44	\$44	\$—	\$251
Commercial Transportation	\$—	\$63	\$—	\$289	\$352
Industrial and Other	\$200	\$35	\$11	\$—	\$246
Third-party sales market revenue	\$795	\$312	\$207	\$289	\$1,603
Fourth quarter ended December 31, 2023					
Aerospace - Commercial	\$474	\$227	\$183	\$—	\$884
Aerospace - Defense	\$168	\$42	\$41	\$—	\$251
Commercial Transportation	\$—	\$63	\$—	\$275	\$338
Industrial and Other	\$210	\$28	\$20	\$—	\$258
Third-party sales market revenue	\$852	\$360	\$244	\$275	\$1,731
First quarter ended March 31, 2024					
Aerospace - Commercial	\$492	\$244	\$192	\$—	\$928
Aerospace - Defense	\$185	\$39	\$56	\$—	\$280
Commercial Transportation	\$—	\$66	\$—	\$288	\$354
Industrial and Other	\$208	\$40	\$14	\$—	\$262
Third-party sales market revenue	\$885	\$389	\$262	\$288	\$1,824

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

Revenue includes impacts of foreign currency and material and other inflationary cost pass through.

Calculation of Segment Information

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Engine Products						
Third-party sales	\$ 795	\$ 821	\$ 798	\$ 852	\$ 3,266	\$ 885
Inter-segment sales	\$ 2	\$ 5	\$ 5	\$ 1	\$ 13	\$ 2
Provision for depreciation and amortization	\$ 32	\$ 32	\$ 33	\$ 33	\$ 130	\$ 33
Segment Adjusted EBITDA	\$ 212	\$ 223	\$ 219	\$ 233	\$ 887	\$ 249
Segment Adjusted EBITDA Margin	26.7 %	27.2 %	27.4 %	27.3 %	27.2 %	28.1 %
Depreciation and amortization % of Revenue	4.0 %	3.9 %	4.1 %	3.9 %	4.0 %	3.7 %
Restructuring and other credits	\$ —	\$ (1)	\$ —	\$ (1)	\$ (2)	\$ —
Capital expenditures	\$ 33	\$ 21	\$ 30	\$ 28	\$ 112	\$ 55
Fastening Systems						
Third-party sales	\$ 312	\$ 329	\$ 348	\$ 360	\$ 1,349	\$ 389
Provision for depreciation and amortization	\$ 11	\$ 12	\$ 12	\$ 11	\$ 46	\$ 11
Segment Adjusted EBITDA	\$ 58	\$ 64	\$ 76	\$ 80	\$ 278	\$ 92
Segment Adjusted EBITDA Margin	18.6 %	19.5 %	21.8 %	22.2 %	20.6 %	23.7 %
Depreciation and amortization % of Revenue	3.5 %	3.6 %	3.4 %	3.1 %	3.4 %	2.8 %
Restructuring and other charges	\$ —	\$ —	\$ 1	\$ —	\$ 1	\$ —
Capital expenditures	\$ 9	\$ 5	\$ 9	\$ 8	\$ 31	\$ 7

Calculation of Segment Information (continued)

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Engineered Structures						
Third-party sales	\$ 207	\$ 200	\$ 227	\$ 244	\$ 878	\$ 262
Inter-segment sales	\$ —	\$ 1	\$ —	\$ 2	\$ 3	\$ 1
Provision for depreciation and amortization	\$ 12	\$ 12	\$ 12	\$ 11	\$ 47	\$ 11
Segment Adjusted EBITDA	\$ 30	\$ 20	\$ 30	\$ 33	\$ 113	\$ 37
Segment Adjusted EBITDA Margin	14.5 %	10.0 %	13.2 %	13.5 %	12.9 %	14.1 %
Depreciation and amortization % of Revenue	5.8 %	6.0 %	5.3 %	4.5 %	5.4 %	4.2 %
Restructuring and other charges	\$ 1	\$ 5	\$ 1	\$ 14	\$ 21	\$ —
Capital expenditures	\$ 10	\$ 5	\$ 6	\$ 5	\$ 26	\$ 6
Forged Wheels						
Third-party sales	\$ 289	\$ 298	\$ 285	\$ 275	\$ 1,147	\$ 288
Provision for depreciation and amortization	\$ 9	\$ 10	\$ 10	\$ 10	\$ 39	\$ 10
Segment Adjusted EBITDA	\$ 79	\$ 81	\$ 77	\$ 72	\$ 309	\$ 82
Segment Adjusted EBITDA Margin	27.3 %	27.2 %	27.0 %	26.2 %	26.9 %	28.5 %
Depreciation and amortization % of Revenue	3.1 %	3.4 %	3.5 %	3.6 %	3.4 %	3.5 %
Capital expenditures	\$ 9	\$ 7	\$ 9	\$ 11	\$ 36	\$ 12

Calculation of Total Segment Adj. EBITDA and Adj. EBITDA Margin

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Third-party sales – Engine Products	\$795	\$821	\$798	\$852	\$3,266	\$885
Third-party sales – Fastening Systems	\$312	\$329	\$348	\$360	\$1,349	\$389
Third-party sales – Engineered Structures	\$207	\$200	\$227	\$244	\$878	\$262
Third-party sales – Forged Wheels	\$289	\$298	\$285	\$275	\$1,147	\$288
Total Segment third-party sales	\$1,603	\$1,648	\$1,658	\$1,731	\$6,640	\$1,824
Total Segment Adjusted EBITDA⁽¹⁾	\$379	\$388	\$402	\$418	\$1,587	\$460
Total Segment Adjusted EBITDA margin	23.6%	23.5%	24.2%	24.1%	23.9%	25.2%

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 Adj. EBITDA to Income Before Income Taxes

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Income before income taxes	\$220	\$243	\$242	\$270	\$975	\$303
Loss on debt redemption	1	—	—	1	2	—
Interest expense	57	55	54	52	218	49
Other expense (income), net	7	(13)	11	3	8	17
Operating income	\$285	\$285	\$307	\$326	\$1,203	\$369
Segment provision for depreciation and amortization	64	66	67	65	262	65
Unallocated amounts:						
Restructuring and other charges	1	3	4	15	23	—
Corporate expense ⁽¹⁾	29	34	24	12	99	26
Total Segment Adjusted EBITDA	\$379	\$388	\$402	\$418	\$1,587	\$460

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⁾ Pre-tax special items included in Corporate expense	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Plant fire costs (reimbursements), net	\$4	\$(4)	\$1	\$(13)	\$(12)	\$—
Collectively bargaining agreement negotiation	—	7	1	—	8	—
Costs associated with closures, supply chain disruptions, and other items	1	9	1	2	13	1
Total Pre-tax special items included in Corporate expense	\$5	\$12	\$3	\$(11)	\$9	\$1

Reconciliation of Adj. Corporate Exp. Excluding Depreciation & Special Items

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Corporate expense	\$29	\$34	\$24	\$12	\$99	\$26
Provision for depreciation and amortization	5	1	1	3	10	2
Adjusted Corporate expense excluding depreciation	\$24	\$33	\$23	\$9	\$89	\$24
Special items:						
Plant fire costs (reimbursements), net	\$4	\$(4)	\$1	\$(13)	\$(12)	\$—
Collective bargaining agreement negotiations	—	7	1	—	8	—
Costs associated with closures, supply chain disruptions, and other items	1	10	1	2	14	1
Adjusted Corporate expense excluding depreciation and Special items	\$19	\$20	\$20	\$20	\$79	\$23

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 Adj. EBITDA and Adj. EBITDA Margin Excluding Special Items and Incremental Margin

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Third-party sales	\$1,603	\$1,648	\$1,658	\$1,731	\$6,640	\$1,824
Operating income	\$285	\$285	\$307	\$326	\$1,203	\$369
Operating income margin	17.8%	17.3%	18.5%	18.8%	18.1%	20.2%
Net income	\$148	\$193	\$188	\$236	\$765	\$243
Add:						
Provision for income taxes	\$72	\$50	\$54	\$34	\$210	\$60
Other expense (income), net	7	(13)	11	3	8	17
Loss on debt redemption	1	—	—	1	2	—
Interest expense, net	57	55	54	52	218	49
Restructuring and other charges	1	3	4	15	23	—
Provision for depreciation and amortization	69	67	68	68	272	67
Adjusted EBITDA	\$355	\$355	\$379	\$409	\$1,498	\$436
Add:						
Plant fire costs (reimbursements), net	\$4	\$(4)	\$1	\$(13)	\$(12)	\$—
Collective bargaining agreement negotiations	—	7	1	—	8	—
Legal and other advisory reimbursements	—	—	—	—	—	—
Costs associated with closures, supply chain disruptions, and other items	1	10	1	2	14	1
Adjusted EBITDA excluding Special items	\$360	\$368	\$382	\$398	\$1,508	\$437
Adjusted EBITDA margin excluding Special items	22.5%	22.3%	23.0%	23.0%	22.7%	24.0%

	Q1 2023	Q1 2024	Q1 2024 YoY
Third-party sales (b)	\$1,603	\$1,824	\$221
Adjusted EBITDA excluding Special items (a)	\$360	\$437	\$77
Incremental margin (a)/(b)			35%

Adjusted EBITDA, Adjusted EBITDA excluding Special items, Adjusted EBITDA margin excluding Special items, and Incremental margin 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 Adj. Operating Income & Margin Both Excluding Special Items

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Third-party sales	\$1,603	\$1,648	\$1,658	\$1,731	\$6,640	\$1,824
Operating income	\$285	\$285	\$307	\$326	\$1,203	\$369
Operating income margin	17.8%	17.3%	18.5%	18.8%	18.1%	20.2%
Add:						
Restructuring and other charges	\$1	\$3	\$4	\$15	\$23	\$—
Plant fire costs (reimbursements), net	4	(4)	1	(13)	(12)	—
Collective bargaining agreement negotiations	—	7	1	—	8	—
Costs associated with closures, supply chain disruptions, and other items	1	10	1	2	14	1
Adjusted operating income excluding Special items	\$291	\$301	\$314	\$330	\$1,236	\$370
Adjusted operating income margin excluding Special items	18.2%	18.3%	18.9%	19.1%	18.6%	20.3%

Adjusted operating income excluding Special items and Adjusted operating income margin 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 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 Operating income determined under GAAP as well as Operating income excluding Special items.

Reconciliation of Free Cash Flow

(\$ in millions)	Q1 2023	Q1 2024
Cash provided from operations	\$23	\$177
Capital expenditures	(64)	(82)
Free cash flow	\$(41)	\$95

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

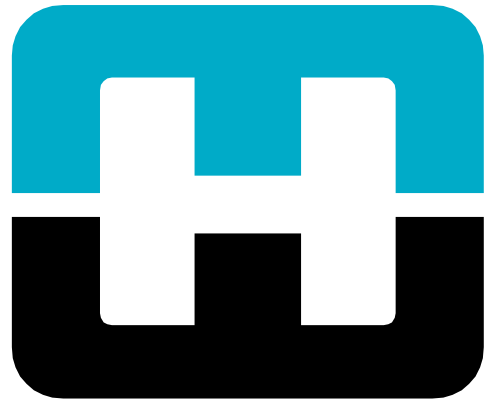
Free cash flow is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures (due to the fact that these expenditures are considered necessary to maintain 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 and Net Debt to Adjusted EBITDA Excluding Special Items

(\$ in millions)	Trailing-12 months ended	
	December 31, 2023	March 31, 2024
Net income	\$765	\$860
Add:		
Provision for income taxes	\$210	\$198
Other expense, net	8	18
Loss on debt redemption	2	1
Interest expense, net	218	210
Restructuring and other charges	23	22
Provision for depreciation and amortization	272	270
Adjusted EBITDA	\$1,498	\$1,579
Add:		
Plant fire reimbursements, net	\$(12)	\$(16)
Collective bargaining agreement negotiation	8	8
Costs associated with closures, supply chain disruptions, and other items	14	14
Adjusted EBITDA excluding Special items	\$1,508	\$1,585
Long-term debt due within one year	\$206	\$206
Long-term debt, less amount due within one year	3,500	3,486
Total Debt, at period end	\$3,706	\$3,692
Less: Cash, cash equivalents, and restricted cash, at period end	\$610	\$534
Net Debt, at period end	\$3,096	\$3,158
Net Debt to Adjusted EBITDA excluding Special items	2.1	2.0

Net debt, Net debt to Adjusted EBITDA, Adjusted EBITDA, and Adjusted EBITDA excluding Special items are non-GAAP financial measures. 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. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

Management believes that these measures are meaningful to investors because management assesses the Company's leverage position after factoring in cash that could be used to repay outstanding debt, and also because they provide additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations.



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