

First Quarter 2025 Earnings Call

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

May 1, 2025



**HOWMET
AEROSPACE**



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", "envision", "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 Inc.'s ("Howmet'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 markets; future financial results or operating performance; future strategic actions; Howmet's strategies, outlook, and business and financial prospects; and any future dividends, debt issuances, debt reduction and repurchases of its common stock. These statements reflect beliefs and assumptions that are based on Howmet's perception of historical trends, current conditions and expected future developments, as well as other factors Howmet 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, or unfavorable changes in the markets served by Howmet, including due to escalating tariff and other trade policies and the resulting impacts on Howmet's supply and distribution chains, as well as on market volatility and global trade generally; (b) the impact of potential cyber attacks and information technology or data security breaches; (c) the loss of significant customers or adverse changes in customers' business or financial conditions; (d) manufacturing difficulties or other issues that impact product performance, quality or safety; (e) inability of suppliers to meet obligations due to supply chain disruptions or otherwise; (f) failure to attract and retain a qualified workforce and key personnel, labor disputes or other employee relations issues; (g) the inability to achieve improvement in or strengthening of financial performance, operations or competitiveness anticipated or targeted; (h) inability to meet increased demand, production targets or commitments; (i) competition from new product offerings, disruptive technologies or other developments; (j) geopolitical, economic, and regulatory risks relating to Howmet'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; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (l) failure to comply with government contracting regulations; (m) adverse changes in discount rates or investment returns on pension assets; and (n) the other risk factors summarized in Howmet's Form 10-K for the year ended December 31, 2024 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. Under its share repurchase program, Howmet may repurchase shares from time to time, in amounts, at prices, and at such times as it deems appropriate, subject to market conditions, legal requirements and other considerations. Howmet is not obligated to repurchase any specific number of shares or to do so at any particular time. The declaration of any future dividends is subject to the discretion and approval of Howmet's Board of Directors after consideration of all factors it deems relevant and subject to applicable law. Howmet may modify, suspend, or cancel its share repurchase program or its dividend policy in any manner and at any time that it may deem necessary or appropriate. Credit ratings are not a recommendation to buy or hold any Howmet securities, and they may be revised or revoked at any time at the sole discretion of the credit rating organizations. The statements in this presentation are made as of the date of this presentation, even if subsequently made available by Howmet on its website or otherwise. Howmet 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, Free Cash Flow and Free Cash Flow Conversion) 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 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; QoQ=quarter over quarter; FY=full year; Q=quarter; IGT=industrial gas turbine; bps=basis points; EPS=Earnings Per Share; FCF=Free Cash Flow; Free Cash Flow Conversion=Free Cash Flow divided by Net Income excluding Special Items; and references to performance by Howmet Aerospace or its segments as "record" mean its best result since April 1, 2020 when Howmet Aerospace Inc. (previously named Arconic Inc.) separated from Arconic Corporation.

Q1 2025 Highlights

Revenue and Profitability Excluding Special Items ^{1,2}	Q1 2024	Q4 2024	Q1 2025	Q1 YoY
Revenue	\$1.824B	\$1.891B	\$1.942B	+6%
Adj EBITDA ¹	\$437M	\$507M	\$560M	+28%
Adj EBITDA Margin ¹	24.0%	26.8%	28.8%	+480 bps
Adj Operating Income ¹	\$370M	\$434M	\$491M	+33%
Adj Operating Income Margin ¹	20.3%	23.0%	25.3%	+500 bps
Adj Earnings Per Share ²	\$0.57	\$0.74	\$0.86	+51%

Q1 2025 Balance Sheet and Cash Flow

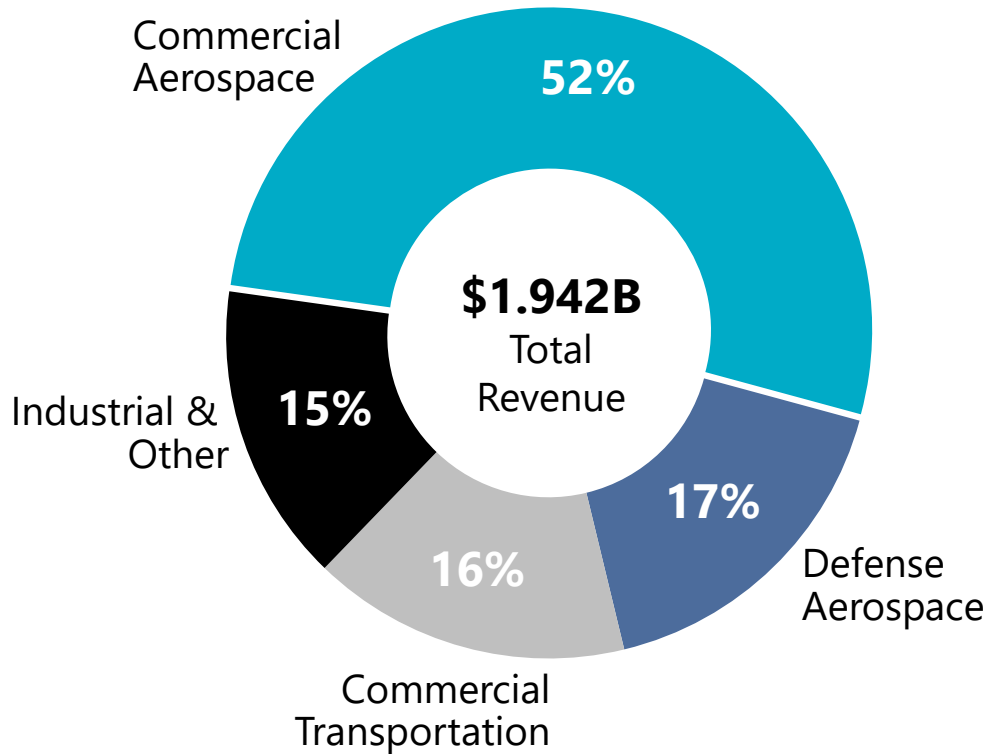
- Record Q1 Free Cash Flow³ of \$134M
- Repurchased \$125M of Common Stock at ~\$124 Avg Price per Share; Repurchased \$100M in April at ~\$126 Avg Price per Share
- Paid \$42M in Dividends; Increased Q1 2025 Quarterly Common Stock Dividend by 25% Per Share from prior quarter
- Net Debt-to-LTM EBITDA⁴ Remains at Record Low 1.4x; All Long-Term Debt Unsecured at Fixed Rates



1) Adj EBITDA, Adj Operating Income, Adj EBITDA Margin and Adj Operating Income Margin, each excluding special items; Net Income (GAAP): Q1 2024 = \$243M, Q4 2024 = \$314M, Q1 2025 = \$344M; Operating income (GAAP): Q1 2024 = \$369M, Q4 2024 = \$445M, Q1 2025 = \$494M; Operating income margin (GAAP): Q1 2024 = 20.2%, Q4 2024 = 23.5%, Q1 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q1 2024 = \$0.59, Q4 2024 = \$0.77, Q1 2025 = \$0.84 3) Q1 2025: Cash provided from operations = \$253M, Cash used for financing activities = (\$167M), Cash used for investing activities = (\$115M); Free Cash Flow = Cash provided from operations less Capital expenditures 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA See appendix for reconciliations

Q1 2025 Revenue Up 6% YoY, Commercial Aerospace Up 9% YoY

**Q1 2025 Revenue by Market
(% of total)**



**Revenue by Market
(% change)**

	YoY	Seq
Commercial Aerospace	9%	1%
Defense Aerospace	19%	9%
Commercial Transportation	(14%)	2%
Industrial & Other ¹	10%	1%
Total Revenue	6%	3%

Q1 2025 YoY: Revenue Up 6%, Adj EBITDA¹ Up 28%, Adj EPS² Up 51%

Enhanced Profitability

- Record Revenue Up 6% YoY, driven by Comm Aero Up 9%, Defense Aero Up 19%, Comm Trans Down 14%
- Record Adj EBITDA¹ of \$560M, Up 28% YoY. Adj EBITDA Margin¹ of 28.8%, Up ~480 bps YoY
- Record Adj Earnings Per Share² of \$0.86, Up 51% YoY

Strong Balance Sheet and Cash Flow

- Record Q1 Free Cash Flow³ of \$134M; Ending Cash Balance of \$537M
- Net Debt-to-LTM EBITDA⁴ Remains at Record Low 1.4x
- Fitch Upgrade to BBB+, further into Investment Grade

Capital Deployment

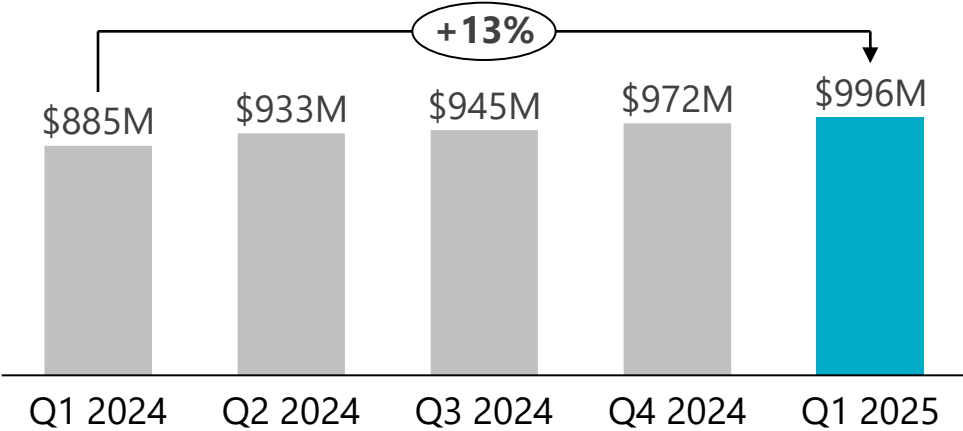
- Repurchased \$125M of Common Stock at ~\$124 Avg Price per Share; \$100M in April at ~\$126 Avg per Share
- Quarterly Dividend per share of Common Stock Increased to \$0.10 in Q1 2025, Up 25% QoQ, Up ~2x YoY



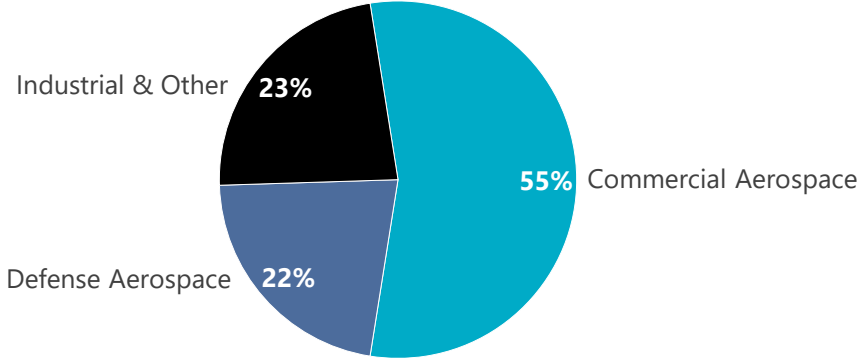
1) Adj EBITDA and Adj EBITDA Margin, each excluding special items; Net Income (GAAP): Q1 2024 = \$243M, Q1 2025 = \$344M; Operating income (GAAP): Q1 2024 = \$369M, Q1 2025 = \$494M; Operating income margin (GAAP): Q1 2024 = 20.2%, Q1 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q1 2024 = \$0.59, Q1 2025 = \$0.84 3) Q1 2025: Cash provided from operations = \$253M, Cash used for financing activities = (\$167M), Cash used for investing activities = (\$115M); Free Cash Flow = Cash provided from operations less Capital expenditures 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA See appendix for reconciliations

Engine Products: Revenue Up 13% Q1 YoY; Record Adj EBITDA Margin 32.6%

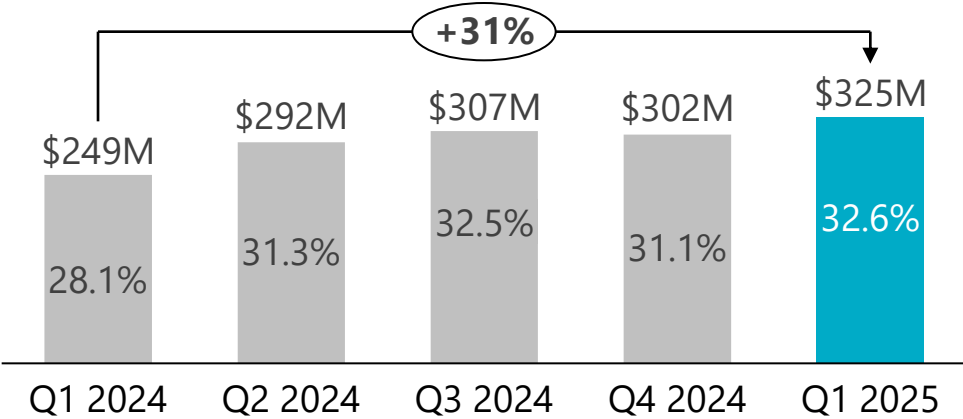
3rd Party Revenue



Q1 Revenue by Market (% of total)



Segment Adjusted EBITDA and Margin

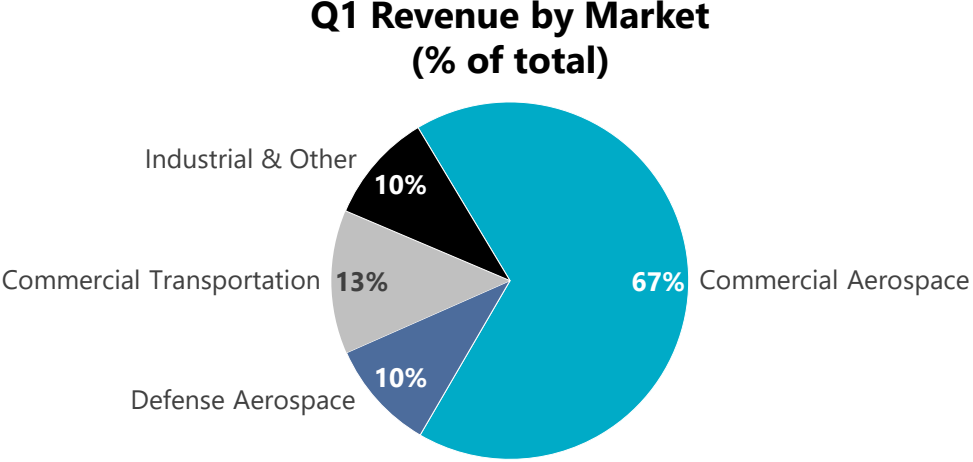
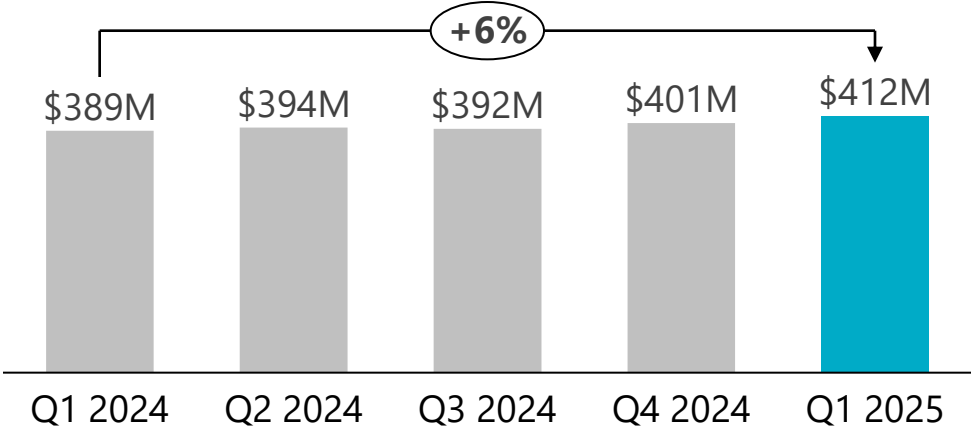


Q1 2025 YoY

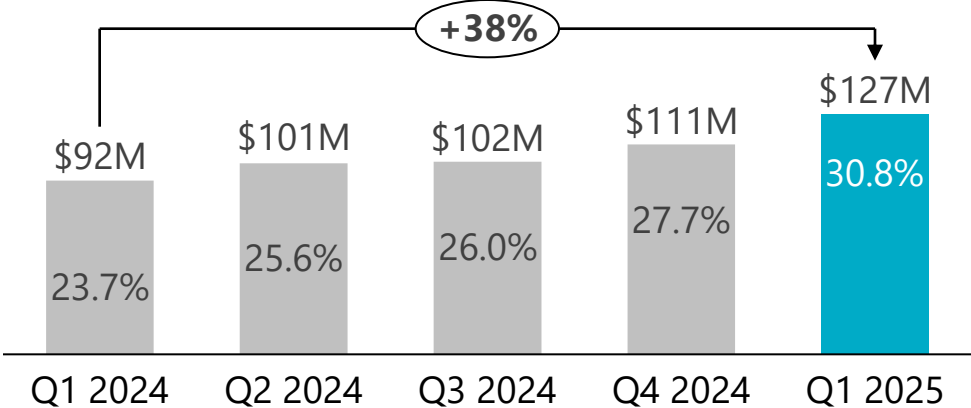
- + Commercial Aerospace Growth
- + Defense Aerospace Growth
- + Industrial Gas Turbine / Oil & Gas Growth
- + Spares Growth Across All Markets
- +/- Net Headcount up ~500 QoQ; up ~1,270 YoY

Fastening Systems: Revenue Up 6% Q1 YoY; Record Adj EBITDA Margin 30.8%

3rd Party Revenue



Segment Adjusted EBITDA and Margin

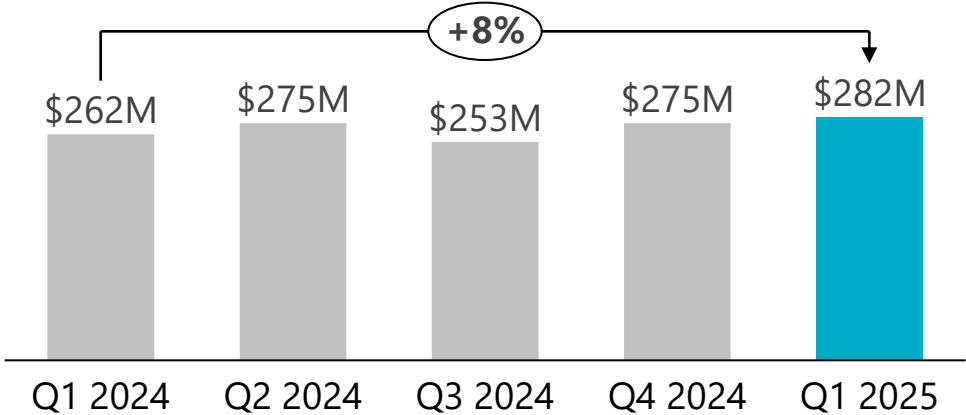


Q1 2025 YoY

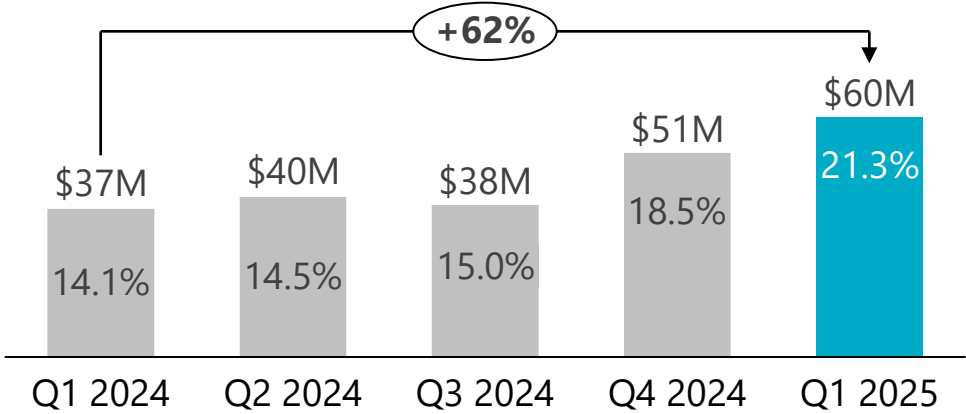
- + Commercial Aerospace Growth
- + Strong Productivity Gains
- + Net Headcount ~flat QoQ; down ~75 YoY
- Commercial Transportation Market Down

Engineered Structures: Revenue Up 8% Q1 YoY; Record Adj EBITDA Margin 21.3%

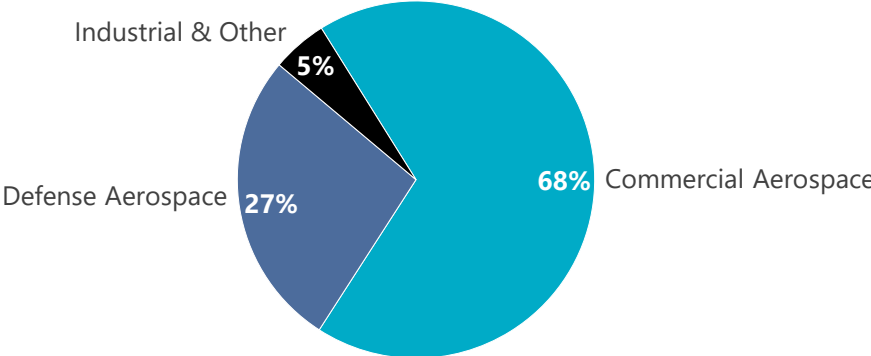
3rd Party Revenue



Segment Adjusted EBITDA and Margin



Q1 Revenue by Market (% of total)

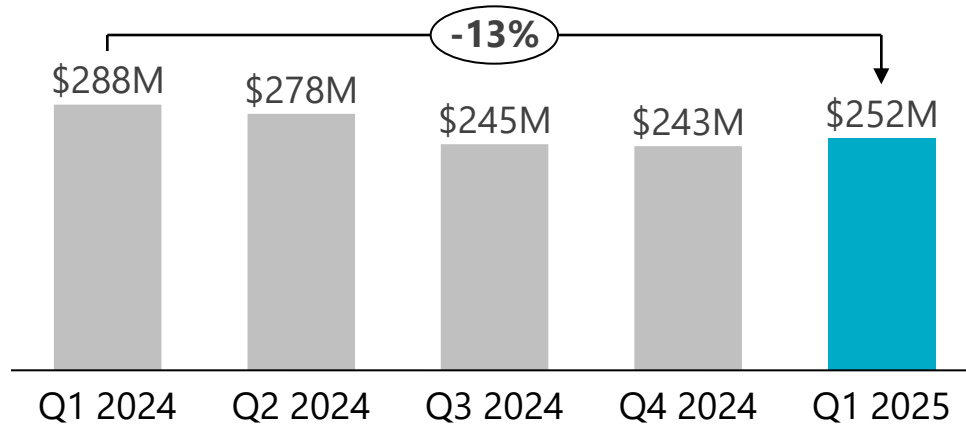


Q1 2025 YoY

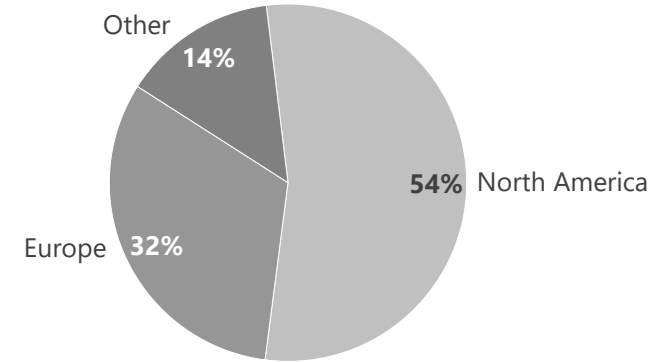
- + Defense Aerospace Growth
- + Strong Productivity Gains
- + Net Headcount ~flat QoQ; down ~240 YoY
- +/- Product Rationalization

Forged Wheels: Revenue Down 13% Q1 YoY; Adj EBITDA Margin 27.0%

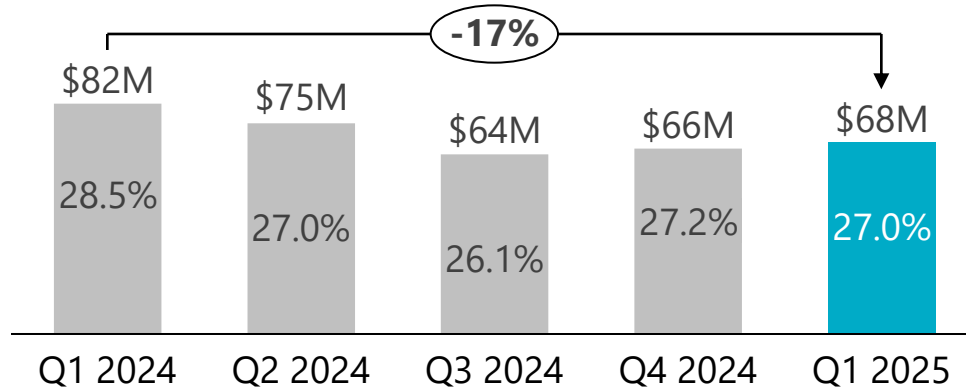
3rd Party Revenue



Q1 Revenue by Region (% of total)



Segment Adjusted EBITDA and Margin



Q1 2025 YoY

- Commercial Transportation Market Down
- + Cost Flexing
- + Net Headcount ~flat QoQ; down ~115 YoY

2025 Guidance: Includes Current Assumptions of Tariff Impacts

	Q2 2025 Guidance			FY 2025 Guidance			What we expect in 2025
	<u>Low</u>	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Baseline</u>	<u>High</u>	
Revenue	\$1.980B	\$1.990B	\$2.000B	\$7.880B	\$8.030B	\$8.180B	<ul style="list-style-type: none"> ▪ FY 2025 Revenue up ~8% vs. FY 2024 ▪ FY 2025 Adj EBITDA¹ up ~18% vs. FY 2024 ▪ FY 2025 Adj EPS^{1,2} up ~26% vs. FY 2024 ▪ FY 2025 Capex of ~\$350M, ~4% of Revenue ▪ FY 2025 Free Cash Flow Conversion ~85%
				Increased Range	▶ +/- \$50M		
Adj EBITDA¹	\$555M	\$560M	\$565M	\$2.225B	\$2.250B	\$2.275B	
<i>Adj EBITDA Margin¹</i>	28.0%	28.1%	28.3%	28.2%	28.0%	27.8%	
				Baseline Change	▶ +\$120M +150 bps		
Adj Earnings per Share^{1,2}	\$0.85	\$0.86	\$0.87	\$3.36	\$3.40	\$3.44	
				Baseline Change	▶ +\$0.23		
Free Cash Flow				\$1.100B	\$1.150B	\$1.200B	
				Baseline Change	▶ +\$75M		

Summary

Revenue / Profit Q1 2025

- Revenue of \$1.94B, Up 6% YoY, driven by Comm Aero Up 9%, Defense Aero Up 19%, Comm Trans Down 14%
- Adj EBITDA¹ of \$560M, Up 28% YoY. Adj EBITDA Margin¹ of 28.8%, Up ~480 bps YoY
- Adj Earnings Per Share² of \$0.86, Up 51% YoY

Cash Generation / Deployment Q1 2025

- Record Q1 Free Cash Flow³ of \$134M; Ending Cash Balance of \$537M
- Net Debt-to-LTM EBITDA⁴ Remains at Record Low 1.4x
- Capital Deployment: ~\$167M for Common Stock Repurchases and Quarterly Dividends

Guidance Expectations FY 2025

- Expect FY 2025 Revenue Up ~8% YoY, Adj EBITDA¹ Up ~18% YoY, Adj Earnings Per Share² Up ~26% YoY
- Expect FY 2025 Free Cash Flow³ of ~\$1.150B, Up ~18% YoY, with Free Cash Flow Conversion⁵ of ~85%



1) Adj EBITDA and Adj EBITDA Margin, each excluding special items; Net Income (GAAP): Q1 2024 = \$243M, Q1 2025 = \$344M; Operating income (GAAP): Q1 2024 = \$369M, Q1 2025 = \$494M; Operating income margin (GAAP): Q1 2024 = 20.2%, Q1 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q1 2024 = \$0.59, Q1 2025 = \$0.84 3) Q1 2025: Cash provided from operations = \$253M, Cash used for financing activities = (\$167M), Cash used for investing activities = (\$115M); Free Cash Flow = Cash provided from operations less Capital expenditures 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA 5) FCF divided by Net Income: FY 2024 = 85% See appendix for reconciliations



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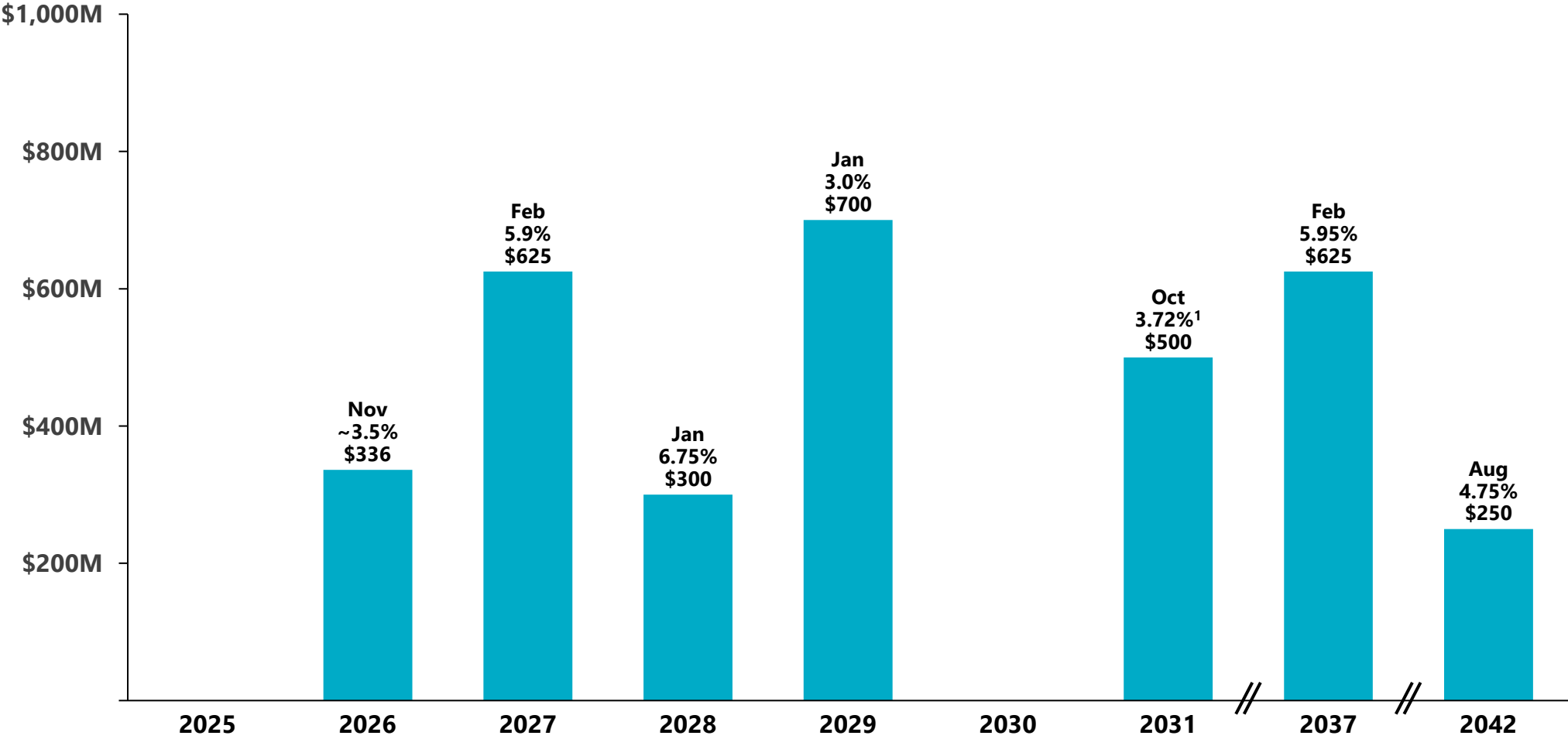
Appendix



2025 Assumptions

	Full Year 2025	2025 Comments
Corporate Overhead	~\$90M	<ul style="list-style-type: none"> Included in Adj EBITDA
Depreciation and Amortization	~\$275M	
Interest Expense	~\$160M	
Operational Tax Rate	20.5% - 21.5%	<ul style="list-style-type: none"> Cash Tax Rate ~19%
Pension / OPEB Expense	~\$35M	<ul style="list-style-type: none"> ~\$5M Service Costs (included in Adj EBITDA) ~\$30M Non-Service Costs (excluded from Adj EBITDA) ~ Flat YoY
Miscellaneous Other Expenses	\$25M – \$30M	<ul style="list-style-type: none"> Included in Other expense (income), net Examples are deferred compensation and foreign currency impacts
Pension / OPEB Contributions	~\$65M	
Capex	\$340M-\$360M <i>Previous: ~\$335M</i>	<ul style="list-style-type: none"> Increase driven by Engine Products Capacity Expansion
Diluted Share Count Average	~406M <i>Previous: ~407M</i>	<ul style="list-style-type: none"> Common share buyback in Q1 2025: \$125M; in April 2025: \$100M Excludes any potential additional common stock repurchases

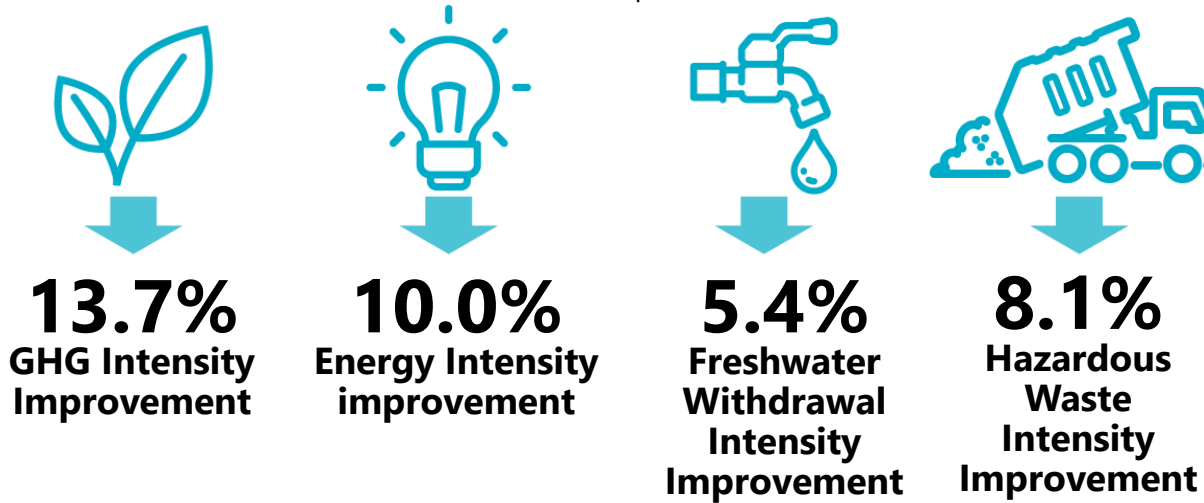
Robust Liquidity; Each Debt Tower Below Annual Free Cash Flow Expectations



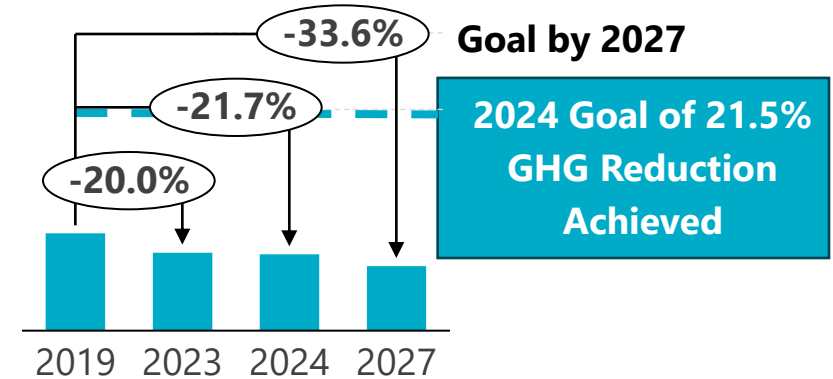
1) After cross-currency swap to synthetically convert notes into Euro liability of ~€458M with a fixed interest rate of 3.72%

Achieved 2024 GHG Reduction Goal, Progress Toward 2027 GHG Goal

Environmental Achievements | 2024 Reductions vs 2023



GHG Emissions Reduction



- Achieved 21.7% reduction vs 2019 baseline
- Implemented 23,000 MT CO_{2e} reduction initiatives in 2024
- Goal to reduce GHG Emissions 33.6% by 2027 vs 2019 baseline

Commitment to Safe, Inclusive and Welcoming Workplace

Safety

Days Away, Restricted and Transfer (DART) rate **8x** better than industry average

Welcoming Workplace

Women and US Minority representation increased since 2020:

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

Governance



Board Composition

30% of our **Board of Directors** is composed of **women**



Supply Chain

82% of assessed suppliers have **sustainability programs** considered good or better

Reconciliation of Net Income and Diluted EPS Excluding Special Items

(\$ in millions, except per-share amounts)	Q1 2024	Q4 2024	Q1 2025
Net income	\$243	\$314	\$344
Diluted Earnings Per Share ("EPS")	\$0.59	\$0.77	\$0.84
Average number of diluted shares	412	408	407
Special items:			
Restructuring and other credits	\$—	\$—	\$(4)
Plant fire reimbursements, net	—	(12)	—
Costs associated with closures, supply chain disruptions, and other items	1	1	1
Subtotal: Pre-tax special items	\$1	\$(11)	\$(3)
Tax impact of Pre-tax special items ⁽¹⁾	—	2	1
Subtotal	\$1	\$(9)	\$(2)
Discrete and other tax special items ⁽²⁾	\$(6)	\$(2)	\$9
Total: After-tax special items	\$(5)	\$(11)	\$7
Net income excluding Special items	\$238	\$303	\$351
Diluted EPS excluding Special items	\$0.57	\$0.74	\$0.86

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 credits, 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 and Diluted EPS determined under GAAP as well as Net income excluding Special items and Diluted EPS excluding Special items.

- ⁽¹⁾ 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.
- ⁽²⁾ Discrete tax items for Q1 2025 are discussed further in the Reconciliation of the Operational Tax Rate. Discrete tax items for Q1 2024 a benefit to release a valuation allowance related to U.S. foreign tax credits (\$6), and a net benefit for other small items (\$1). Discrete tax items for Q4 2024 included a benefit to release a valuation allowance related to U.S. state tax losses and credits (\$6), an excess tax benefit for stock compensation (\$1), a charge for prior year audit assessments and tax adjustments \$4, and a charge to adjust a valuation allowance related to U.S. foreign tax credits \$2.

Reconciliation of Operational Tax Rate

(\$ in millions)

	Effective tax rate, as reported	Q1 2025 Special items ⁽¹⁾⁽²⁾	Operational tax rate, as adjusted
Income before income taxes	\$446	\$(3)	\$443
Provision for income taxes	\$102	\$(10)	\$92
Tax rate	22.9%		20.8%

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) Pre-tax special items for Q1 2025 included Restructuring and other credits (\$4), partially offset by 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 Q1 2025 included a net charge related to the expiration of a tax holiday in China \$6, a charge for a tax reserve established in Germany \$2, and a net charge for other small items \$1.

Calculation of Segment Markets Revenue

(\$ in millions)	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
Q1 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
Total end-market revenue	\$885	\$389	\$262	\$288	\$1,824
Q4 2024					
Aerospace - Commercial	\$537	\$266	\$199	\$—	\$1,002
Aerospace - Defense	\$200	\$43	\$62	\$—	\$305
Commercial Transportation	\$—	\$55	\$—	\$243	\$298
Industrial and Other	\$235	\$37	\$14	\$—	\$286
Total end-market revenue	\$972	\$401	\$275	\$243	\$1,891
Q1 2025					
Aerospace - Commercial	\$549	\$275	\$192	\$—	\$1,016
Aerospace - Defense	\$215	\$42	\$76	\$—	\$333
Commercial Transportation	\$—	\$53	\$—	\$252	\$305
Industrial and Other	\$232	\$42	\$14	\$—	\$288
Toal end-market revenue	\$996	\$412	\$282	\$252	\$1,942

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

Calculation of Segment Information

(\$ in millions)

Engine Products

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Third-party sales	\$ 885	\$ 933	\$ 945	\$ 972	\$ 3,735	\$ 996
Inter-segment sales	\$ 2	\$ 1	\$ 3	\$ 1	\$ 7	\$ 2
Provision for depreciation and amortization	\$ 33	\$ 33	\$ 34	\$ 39	\$ 139	\$ 34
Segment Adjusted EBITDA	\$ 249	\$ 292	\$ 307	\$ 302	\$ 1,150	\$ 325
Segment Adjusted EBITDA Margin	28.1 %	31.3 %	32.5 %	31.1 %	30.8 %	32.6 %
Depreciation and amortization % of Revenue	3.7 %	3.5 %	3.6 %	4.0 %	3.7 %	3.4 %
Restructuring and other (credits) charges	\$ —	\$ (1)	\$ 1	\$ 1	\$ 1	\$ —
Capital expenditures	\$ 55	\$ 33	\$ 55	\$ 76	\$ 219	\$ 86

Fastening Systems

Third-party sales	\$ 389	\$ 394	\$ 392	\$ 401	\$ 1,576	\$ 412
Inter-segment sales	\$ —	\$ —	\$ —	\$ 1	\$ 1	\$ —
Provision for depreciation and amortization	\$ 11	\$ 13	\$ 12	\$ 11	\$ 47	\$ 12
Segment Adjusted EBITDA	\$ 92	\$ 101	\$ 102	\$ 111	\$ 406	\$ 127
Segment Adjusted EBITDA Margin	23.7 %	25.6 %	26.0 %	27.7 %	25.8 %	30.8 %
Depreciation and amortization % of Revenue	2.8 %	3.3 %	3.1 %	2.7 %	3.0 %	2.9 %
Restructuring and other charges	\$ —	\$ 2	\$ 1	\$ 2	\$ 5	\$ —
Capital expenditures	\$ 7	\$ 5	\$ 5	\$ 9	\$ 26	\$ 10

Calculation of Segment Information (continued)

(\$ in millions)

Engineered Structures

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Third-party sales	\$ 262	\$ 275	\$ 253	\$ 275	\$ 1,065	\$ 282
Inter-segment sales	\$ 1	\$ 3	\$ 3	\$ 3	\$ 10	\$ 3
Provision for depreciation and amortization	\$ 11	\$ 11	\$ 10	\$ 10	\$ 42	\$ 12
Segment Adjusted EBITDA	\$ 37	\$ 40	\$ 38	\$ 51	\$ 166	\$ 60
Segment Adjusted EBITDA Margin	14.1 %	14.5 %	15.0 %	18.5 %	15.6 %	21.3 %
Depreciation and amortization % of Revenue	4.2 %	4.0 %	4.0 %	3.6 %	3.9 %	4.3 %
Restructuring and other charges (credits)	\$ —	\$ 14	\$ 1	\$ (3)	\$ 12	\$ (4)
Capital expenditures	\$ 6	\$ 5	\$ 5	\$ 4	\$ 20	\$ 5

Forged Wheels

Third-party sales	\$ 288	\$ 278	\$ 245	\$ 243	\$ 1,054	\$ 252
Provision for depreciation and amortization	\$ 10	\$ 10	\$ 10	\$ 12	\$ 42	\$ 10
Segment Adjusted EBITDA	\$ 82	\$ 75	\$ 64	\$ 66	\$ 287	\$ 68
Segment Adjusted EBITDA Margin	28.5 %	27.0 %	26.1 %	27.2 %	27.2 %	27.0 %
Depreciation and amortization % of Revenue	3.5 %	3.6 %	4.1 %	4.9 %	4.0 %	4.0 %
Restructuring and other charges	\$ —	\$ —	\$ 1	\$ —	\$ 1	\$ —
Capital expenditures	\$ 12	\$ 9	\$ 14	\$ 10	\$ 45	\$ 15

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

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Third-party sales – Engine Products	\$885	\$933	\$945	\$972	\$3,735	\$996
Third-party sales – Fastening Systems	\$389	\$394	\$392	\$401	\$1,576	\$412
Third-party sales – Engineered Structures	\$262	\$275	\$253	\$275	\$1,065	\$282
Third-party sales – Forged Wheels	\$288	\$278	\$245	\$243	\$1,054	\$252
Total Segment third-party sales	\$1,824	\$1,880	\$1,835	\$1,891	\$7,430	\$1,942
Total Segment Adjusted EBITDA⁽¹⁾	\$460	\$508	\$511	\$530	\$2,009	\$580
Total Segment Adjusted EBITDA margin	25.2%	27.0%	27.8%	28.0%	27.0%	29.9%

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 (credits), 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 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Income before income taxes	\$303	\$334	\$354	\$392	\$1,383	\$446
Loss on debt redemption	—	—	6	—	6	—
Interest expense, net	49	49	44	40	182	39
Other expense, net	17	15	17	13	62	9
Operating income	\$369	\$398	\$421	\$445	\$1,633	\$494
Segment provision for depreciation and amortization	65	67	66	72	270	68
Unallocated amounts:						
Restructuring and other charges (credits)	—	22	(1)	—	21	(4)
Corporate expense ⁽¹⁾	26	21	25	13	85	22
Total Segment Adjusted EBITDA	\$460	\$508	\$511	\$530	\$2,009	\$580

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 (credits), 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 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Plant fire reimbursements, net	\$—	\$(6)	\$—	\$(12)	\$(18)	\$—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1
Total Pre-tax special items included in Corporate expense	\$1	\$(6)	\$(1)	\$(11)	\$(17)	\$1

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

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Corporate expense	\$26	\$21	\$25	\$13	\$85	\$22
Provision for depreciation and amortization	2	2	2	1	7	1
Adjusted Corporate expense excluding depreciation	\$24	\$19	\$23	\$12	\$78	\$21
Special items:						
Plant fire reimbursements, net	\$—	\$(6)	\$—	\$(12)	\$(18)	\$—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1
Adjusted Corporate expense excluding depreciation and Special items	\$23	\$25	\$24	\$23	\$95	\$20

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 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Third-party sales	\$1,824	\$1,880	\$1,835	\$1,891	\$7,430	\$1,942
Operating income	\$369	\$398	\$421	\$445	\$1,633	\$494
Operating income margin	20.2%	21.2%	22.9%	23.5%	22.0%	25.4%
Net income	\$243	\$266	\$332	\$314	\$1,155	\$344
Add:						
Provision for income taxes	\$60	\$68	\$22	\$78	\$228	\$102
Other expense, net	17	15	17	13	62	9
Loss on debt redemption	—	—	6	—	6	—
Interest expense, net	49	49	44	40	182	39
Restructuring and other charges (credits)	—	22	(1)	—	21	(4)
Provision for depreciation and amortization	67	69	68	73	277	69
Adjusted EBITDA	\$436	\$489	\$488	\$518	\$1,931	\$559
Add:						
Plant fire reimbursements, net	\$—	\$(6)	\$—	\$(12)	\$(18)	\$—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1
Adjusted EBITDA excluding Special items	\$437	\$483	\$487	\$507	\$1,914	\$560
Adjusted EBITDA margin excluding Special items	24.0%	25.7%	26.5%	26.8%	25.8%	28.8%

	Q1 2024	Q1 2025	Q1 2025 YoY
Third-party sales (a)	\$1,824	\$1,942	\$118
Operating income (b)	\$369	\$494	\$125
Adjusted EBITDA excluding Special items (c)	\$437	\$560	\$123
Incremental operating income margin (b)/(a)			106%
Incremental margin (c)/(a)			104%

Adjusted EBITDA, Adjusted EBITDA excluding Special items, Adjusted EBITDA margin excluding Special items, Third-party 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. Special items, including Restructuring and other charges (credits), are excluded from Adjusted EBITDA.

Reconciliation of Adj. Operating Income and Margin Both Excluding Special Items

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Third-party sales	\$1,824	\$1,880	\$1,835	\$1,891	\$7,430	\$1,942
Operating income	\$369	\$398	\$421	\$445	\$1,633	\$494
Operating income margin	20.2%	21.2%	22.9%	23.5%	22.0%	25.4%
Add:						
Restructuring and other charges (credits)	\$—	\$22	\$(1)	\$—	\$21	\$(4)
Plant fire reimbursements, net	—	(6)	—	(12)	(18)	—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1
Adjusted operating income excluding Special items	\$370	\$414	\$419	\$434	\$1,637	\$491
Adjusted operating income margin excluding Special items	20.3%	22.0%	22.8%	23.0%	22.0%	25.3%

Adjusted operating income excluding Special items and Adjusted operating income margin excluding Special items are non-GAAP financial measures. Special items, including Restructuring and other charges (credits), are excluded from Adjusted operating income. 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 and Operating Income margin determined under GAAP as well as Adjusted operating income excluding Special items and Adjusted operating income margin excluding Special items.

Reconciliation of Free Cash Flow

(\$ in millions)	Q1 2024	Q1 2025
Cash provided from operations	\$177	\$253
Capital expenditures	(82)	(119)
Free cash flow	\$95	\$134

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 to Adjusted EBITDA Excluding Special Items

(\$ in millions)	Trailing-12 months ended	
	December 31, 2024	March 31, 2025
Net income	\$1,155	\$1,256
Add:		
Provision for income taxes	228	270
Other expense, net	62	54
Loss on debt redemption	6	6
Interest expense, net	182	172
Restructuring and other charges	21	17
Provision for depreciation and amortization	277	279
Adjusted EBITDA	\$1,931	\$2,054
Add:		
Plant fire reimbursements, net	(18)	(18)
Costs associated with closures, supply chain disruptions, and other items	1	1
Adjusted EBITDA excluding Special items	\$1,914	\$2,037
Long-term debt due within one year	\$6	\$7
Long-term debt, less amount due within one year	\$3,309	\$3,317
Total Debt, at period end	\$3,315	\$3,324
Less: Cash, cash equivalents, and restricted cash, at period end	\$565	\$537
Net Debt, at period end	\$2,750	\$2,787
Total Debt to Net Income	2.9	2.6
Net Debt to Adjusted EBITDA excluding Special items	1.4	1.4

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. Special items, including Restructuring and other charges (credits), are excluded from Adjusted EBITDA.



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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