

# Second Quarter 2025 Earnings Call

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

July 31, 2025



# Important Information

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## 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 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)

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## 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.

# Q2 2025 Highlights

## Revenue and Profitability Excluding Special Items<sup>1,2</sup>

	Q2 2024	Q1 2025	Q2 2025	Q2 YoY
Revenue	\$1.880B	\$1.942B	<b>\$2.053B</b>	+9%
Adj EBITDA <sup>1</sup>	\$483M	\$560M	<b>\$589M</b>	+22%
Adj EBITDA Margin <sup>1</sup>	25.7%	28.8%	<b>28.7%</b>	+300 bps
Adj Operating Income <sup>1</sup>	\$414M	\$491M	<b>\$520M</b>	+26%
Adj Operating Income Margin <sup>1</sup>	22.0%	25.3%	<b>25.3%</b>	+330 bps
Adj Earnings Per Share <sup>2</sup>	\$0.67	\$0.86	<b>\$0.91</b>	+36%

## Q2 2025 Balance Sheet and Cash Flow

- Record Q2 Free Cash Flow<sup>3</sup> of \$344M
- Repurchased \$175M of Common Stock at ~\$142 Avg Price per Share; Repurchased \$100M in July at ~\$183 Avg Price per Share
- Paid Down \$76M of Debt; Annualized Interest Expense Savings ~\$4M
- Paid \$41M in Dividends; Increased Q3 2025 Quarterly Common Stock Dividend by 20% QoQ to \$0.12 Per Share
- Net Debt-to-LTM EBITDA<sup>4</sup> Improved to a Record Low 1.3x; 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): Q2 2024 = \$266M, Q1 2025 = \$344M, Q2 2025 = \$407M; Operating income (GAAP): Q2 2024 = \$398M, Q1 2025 = \$494M, Q2 2025 = \$521M; Operating income margin (GAAP): Q2 2024 = 21.2%, Q1 2025 = 25.4%, Q2 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q2 2024 = \$0.65, Q1 2025 = \$0.84, Q2 2025 = \$1.00 3) Free Cash Flow = Cash provided from operations less Capital expenditures; Q2 2025: Cash provided from operations = \$446M, Cash used for financing activities = (\$339M), Cash used for investing activities = (\$97M) 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA See appendix for reconciliations

# Q2 YTD 2025 Highlights

## Revenue and Profitability Excluding Special Items<sup>1,2</sup>

	Q2 YTD 2024	Q2 YTD 2025	Q2 YTD YoY
Revenue	\$3.704B	<b>\$3.995B</b>	+8%
Adj EBITDA <sup>1</sup>	\$920M	<b>\$1.149B</b>	+25%
Adj EBITDA Margin <sup>1</sup>	24.8%	<b>28.8%</b>	+400 bps
Adj Operating Income <sup>1</sup>	\$784M	<b>\$1.011B</b>	+29%
Adj Operating Income Margin <sup>1</sup>	21.2%	<b>25.3%</b>	+410 bps
Adj Earnings Per Share <sup>2</sup>	\$1.25	<b>\$1.77</b>	+42%

## Q2 YTD 2025 Balance Sheet and Cash Flow

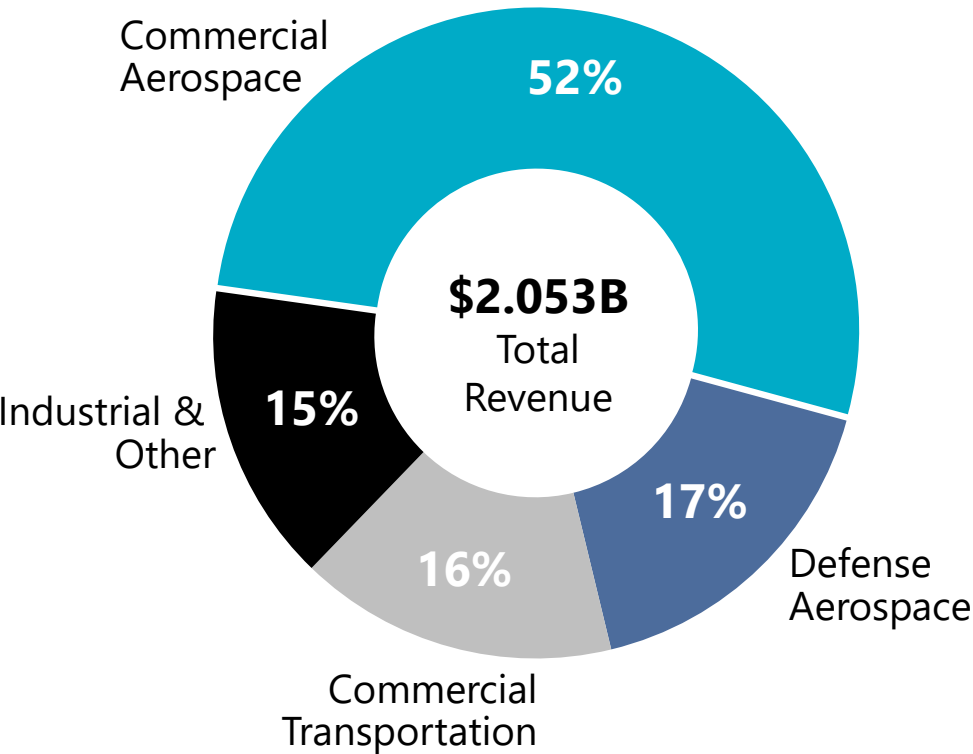
- Record Q2 YTD Free Cash Flow<sup>3</sup> of \$478M
- Repurchased \$300M of Common Stock at ~\$134 Avg Price per Share through June 2025 YTD
- Repurchased \$400M of Common Stock at ~\$144 Avg Price per Share through July 2025 YTD
- Paid \$83M in Dividends; Increased H1 2025 Common Stock Dividend by 100% YoY from \$0.10 to \$0.20 Per Share
- Increased Q3 2025 Quarterly Common Stock Dividend by 20% QoQ to \$0.12 Per Share



1) Adj EBITDA, Adj Operating Income, Adj EBITDA Margin and Adj Operating Income Margin, each excluding special items; Net Income (GAAP): Q2 YTD 2024 = \$509M, Q2 YTD 2025 = \$751M; Operating income (GAAP): Q2 YTD 2024 = \$767M, Q2 YTD 2025 = \$1,015M; Operating income margin (GAAP): Q2 YTD 2024 = 20.7%, Q2 YTD 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q2 YTD 2024 = \$1.23, Q2 YTD 2025 = \$1.84 3) Free Cash Flow = Cash provided from operations less Capital expenditures; Q2 YTD 2025: Cash provided from operations = \$699M, Cash used for financing activities = (\$506M), Cash used for investing activities = (\$212M) See appendix for reconciliations

# Q2 2025 Revenue Up 9% YoY, Commercial Aerospace Up 8% YoY

Q2 2025 Revenue by Market  
(% of total)



Revenue by Market  
(% change)

YoY      Seq

<div></div> Commercial Aerospace	8%	4%
<div></div> Defense Aerospace	21%	6%
<div></div> Commercial Transportation	(4%)	9%
<div></div> Industrial & Other <sup>1</sup>	17%	7%
Total Revenue	9%	6%

1) Industrial & Other comprise IGT (~50%), General Industrial (~25%), and Oil & Gas (~25%)

# Q2 2025 YoY: Revenue Up 9%, Adj EBITDA<sup>1</sup> Up 22%, Adj EPS<sup>2</sup> Up 36%

## Enhanced Profitability

- Record Revenue Up 9% YoY, driven by Commercial Aerospace Up 8% and Defense Aerospace Up 21%
- Record Adj EBITDA<sup>1</sup> of \$589M, Up 22% YoY. Adj EBITDA Margin<sup>1</sup> of 28.7%, Up ~300 bps YoY
- Record Adj Earnings Per Share<sup>2</sup> of \$0.91, Up 36% YoY

## Strong Balance Sheet and Cash Flow

- Record Q2 Free Cash Flow<sup>3</sup> of \$344M; Ending Cash Balance of \$546M
- Paid down \$76M of Debt; Annualized Interest Expense Savings ~\$4M
- Net Debt-to-LTM EBITDA<sup>4</sup> Improved to a Record Low 1.3x

## Capital Deployment

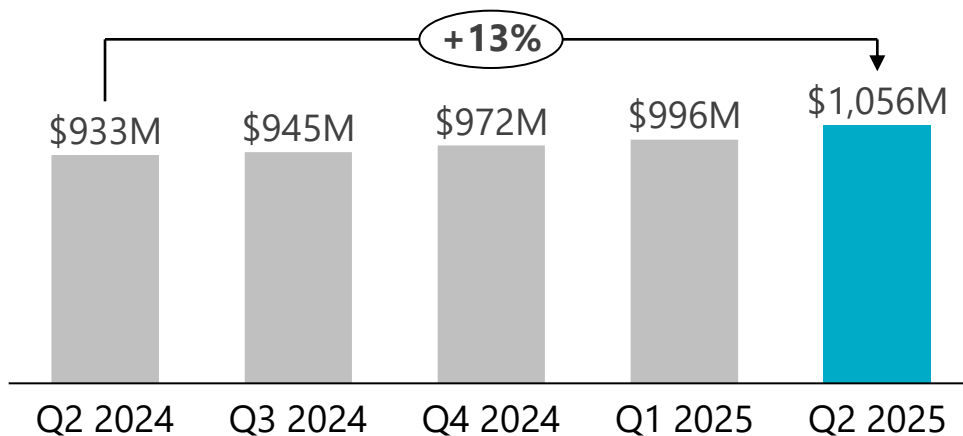
- Repurchased \$175M of Common Stock in Q2 at ~\$142 Avg Price per Share
- Repurchased \$100M of Common Stock in July at ~\$183 Avg Price per Share
- Paid Quarterly Dividend at \$0.10 per share of Common Stock in Q2; Up 100% YoY
- Increased Q3 2025 Quarterly Common Stock Dividend by 20% QoQ to \$0.12 Per Share



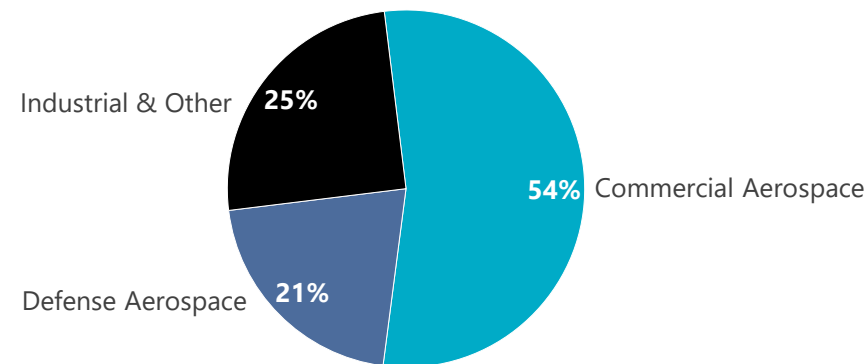
1) Adj EBITDA and Adj EBITDA Margin, each excluding special items; Net Income (GAAP): Q2 2024 = \$266M, Q2 2025 = \$407M; Operating income (GAAP): Q2 2024 = \$398M, Q2 2025 = \$521M; Operating income margin (GAAP): Q2 2024 = 21.2%, Q2 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q2 2024 = \$0.65, Q2 2025 = \$1.00 3) Free Cash Flow = Cash provided from operations less Capital expenditures; Q2 2025: Cash provided from operations = \$446M, Cash used for financing activities = (\$339M), Cash used for investing activities = (\$97M)  
4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA See appendix for reconciliations

# Engine Products: Revenue Up 13% Q2 YoY; Adj EBITDA Margin 33.0%

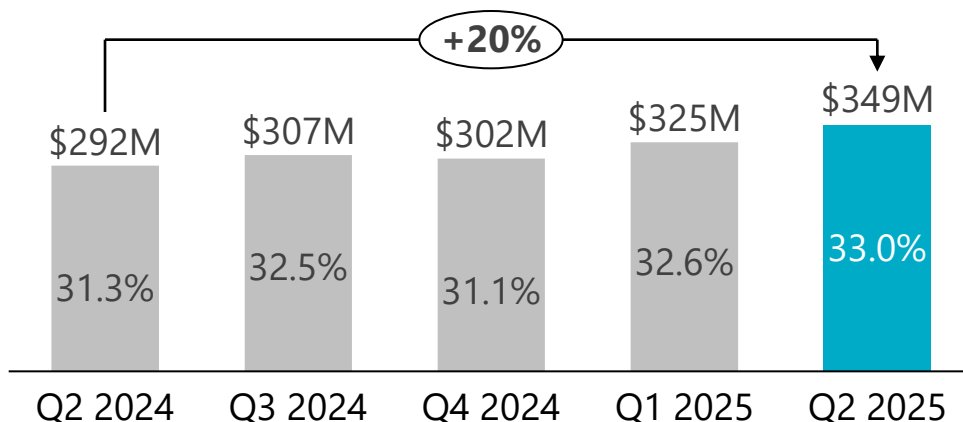
## 3rd Party Revenue



Q2 Revenue by Market  
(% of total)



## Segment Adjusted EBITDA and Margin



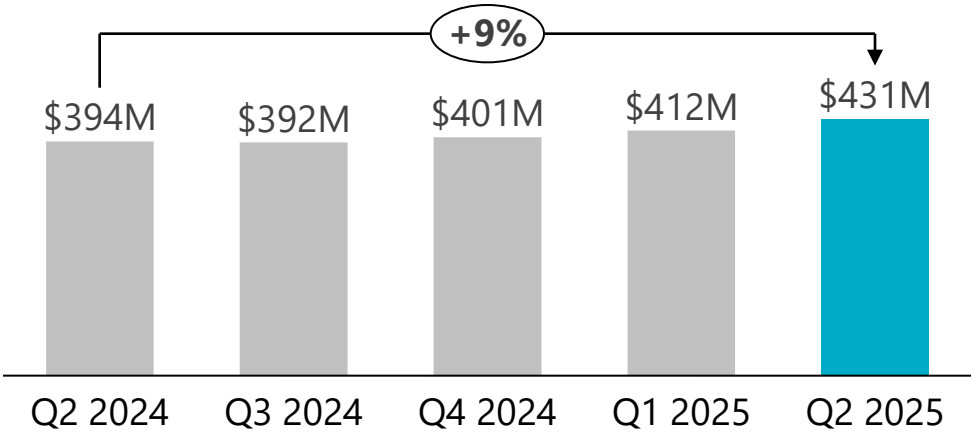
Q2 2025 YoY

- + Commercial Aerospace Growth
- + Defense Aerospace Growth
- + Industrial Gas Turbine / Oil & Gas Growth
- + Spares Growth Across All Markets
- +/- Net Headcount up ~360 QoQ; up ~860 YTD

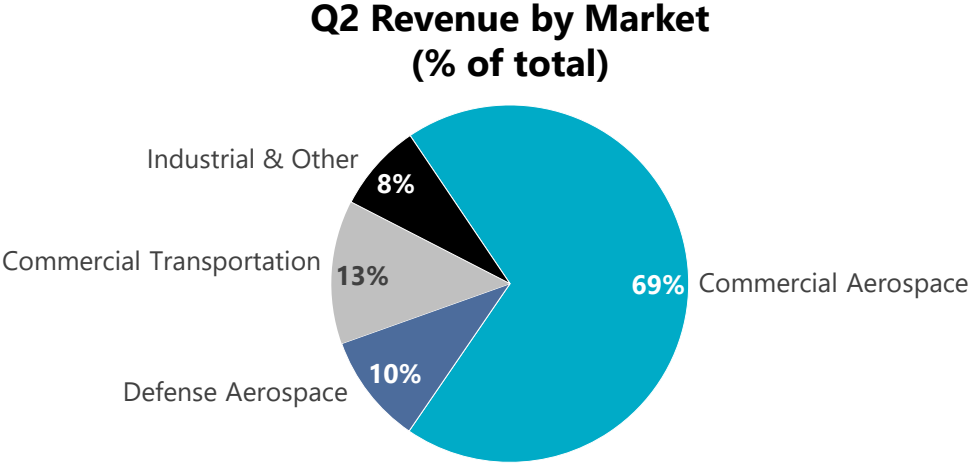
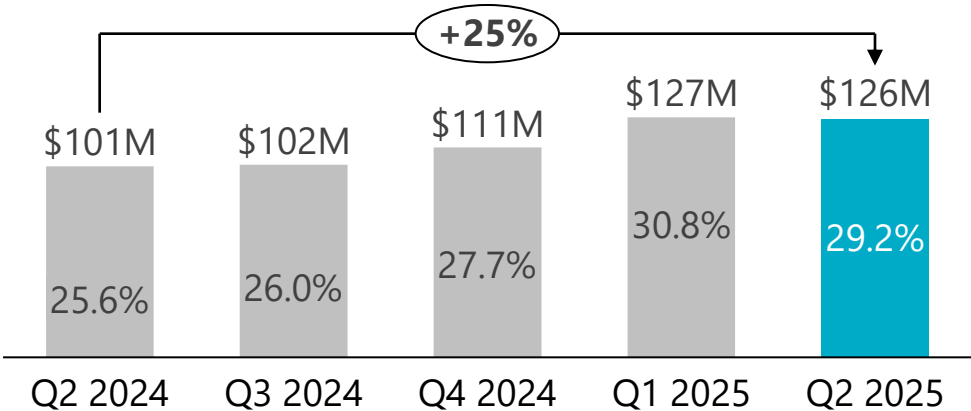


# Fastening Systems: Revenue Up 9% Q2 YoY; Adj EBITDA Margin 29.2%

3rd Party Revenue



Segment Adjusted EBITDA and Margin

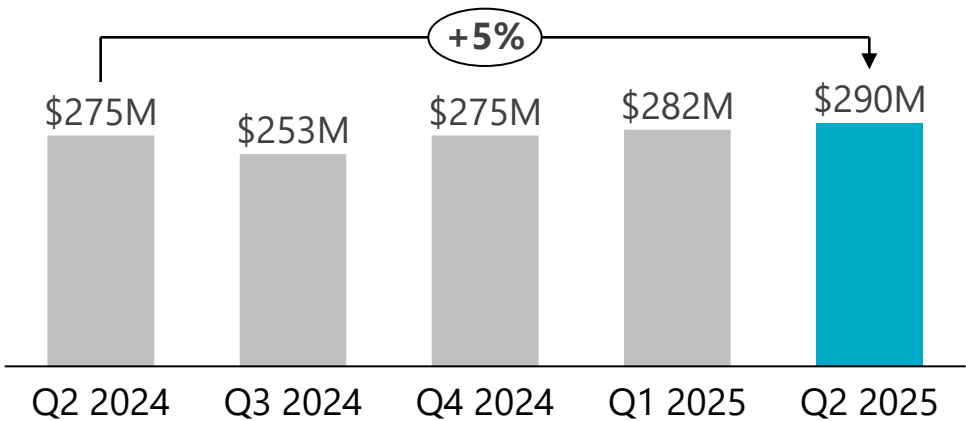


Q2 2025 YoY

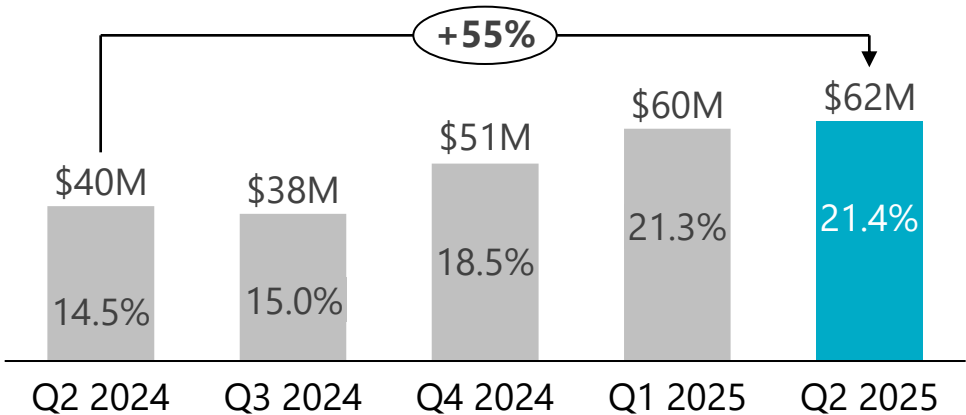
- + Commercial & Defense Aerospace Growth
- + Strong Productivity Gains
- + Net Headcount ~flat QoQ
- Commercial Transportation Market Down

# Engineered Structures: Revenue Up 5% Q2 YoY; Adj EBITDA Margin 21.4%

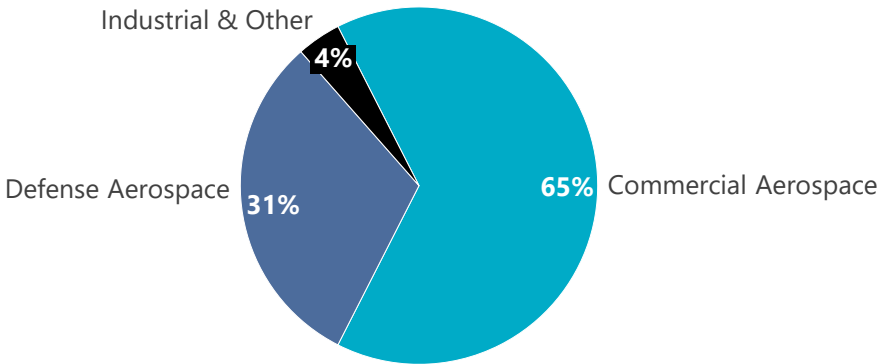
3rd Party Revenue



Segment Adjusted EBITDA and Margin



Q2 Revenue by Market (% of total)

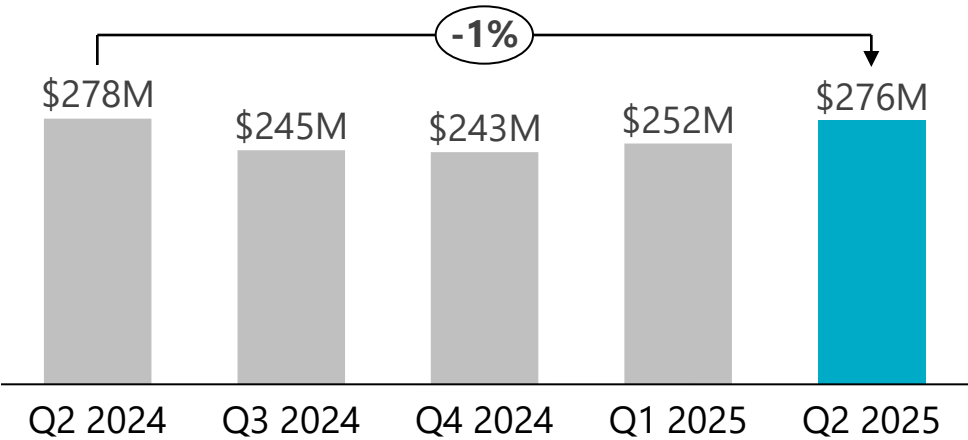


Q2 2025 YoY

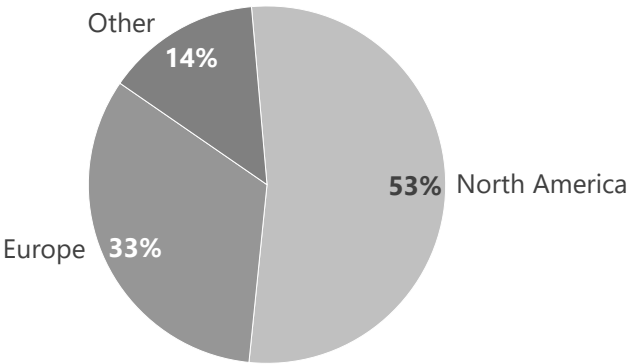
- + Defense Aerospace Growth
- + Strong Productivity Gains
- + Net Headcount up ~40 QoQ
- +/- Product Rationalization

# Forged Wheels: Revenue Down 1% Q2 YoY; Adj EBITDA Margin 27.5%

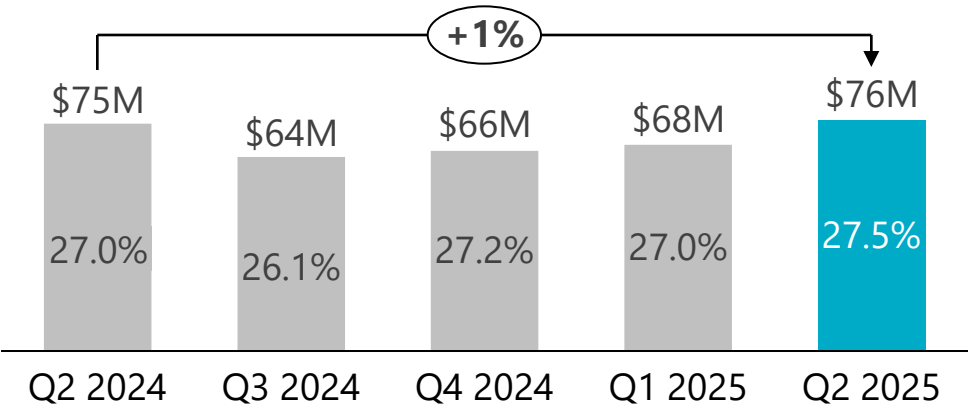
## 3rd Party Revenue



Q2 Revenue by Region  
(% of total)



## Segment Adjusted EBITDA and Margin



## Q2 2025 YoY

- Commercial Transportation Market Down
- Volume Down 11%
- + Cost Flexing
- + Net Headcount ~flat QoQ
- +/- Higher Aluminum Cost Pass Through

# 2025 Guidance

	Q3 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>	
<b>Revenue</b>	<b>\$2.020B</b>	<b>\$2.030B</b>	<b>\$2.040B</b>	<b>\$8.080B</b>	<b>\$8.130B</b>	<b>\$8.180B</b>	<ul style="list-style-type: none"> <li>FY 2025 Revenue up ~9% vs. FY 2024</li> <li>FY 2025 Adj EBITDA<sup>1</sup> up ~21% vs. FY 2024</li> <li>FY 2025 Adj EPS<sup>1,2</sup> up ~34% vs. FY 2024</li> <li>FY 2025 Capex of ~\$390M, ~5% of Revenue</li> <li>FY 2025 Free Cash Flow Conversion ~85%+</li> </ul>
				Baseline Change	► +\$100M		
<b>Adj EBITDA<sup>1</sup></b>	<b>\$575M</b>	<b>\$580M</b>	<b>\$585M</b>	<b>\$2.300B</b>	<b>\$2.320B</b>	<b>\$2.340B</b>	
<i>Adj EBITDA Margin<sup>1</sup></i>	28.5%	28.6%	28.7%	28.5%	28.5%	28.6%	
				Baseline Change	► +\$70M +50 bps		
<b>Adj Earnings per Share<sup>1,2</sup></b>	<b>\$0.89</b>	<b>\$0.90</b>	<b>\$0.91</b>	<b>\$3.56</b>	<b>\$3.60</b>	<b>\$3.64</b>	
				Baseline Change	► +\$0.20		
<b>Free Cash Flow</b>				<b>\$1.175B</b>	<b>\$1.225B</b>	<b>\$1.275B</b>	
				Baseline Change	► +\$75M		

# Summary

## Revenue / Profit Q2 2025

- Record Revenue, Adj EBITDA<sup>1</sup>, and Adj Earnings Per Share<sup>2</sup>
- Revenue of \$2.053B, Up 9% YoY, driven by Commercial Aerospace Up 8% and Defense Aerospace Up 21%
- Adj EBITDA<sup>1</sup> of \$589M, Up 22% YoY. Adj EBITDA Margin<sup>1</sup> of 28.7%, Up ~300 bps YoY
- Adj Earnings Per Share<sup>2</sup> of \$0.91, Up 36% YoY

## Cash Generation / Deployment Q2 2025

- Q2 Free Cash Flow<sup>3</sup> of \$344M; Ending Cash Balance of \$546M
- Net Debt-to-LTM EBITDA<sup>4</sup> Improved to a Record Low 1.3x
- Capital Deployment: ~\$292M for Common Stock Repurchases, Debt Paydown, and Quarterly Dividends
- Increased Q3 2025 Quarterly Common Stock Dividend by 20% QoQ to \$0.12 Per Share

## Guidance Expectations FY 2025

- Expect FY 2025 Revenue Up ~9% YoY, Adj EBITDA<sup>1</sup> Up ~21% YoY, Adj Earnings Per Share<sup>2</sup> Up ~34% YoY
- Expect FY 2025 Free Cash Flow<sup>3</sup> of ~\$1.225B, Up ~25% YoY, with Free Cash Flow Conversion<sup>5</sup> of ~85%+



1) Adj EBITDA and Adj EBITDA Margin, each excluding special items; Net Income (GAAP): Q2 2024 = \$266M, Q2 2025 = \$407M; Operating income (GAAP): Q2 2024 = \$398M, Q2 2025 = \$521M; Operating income margin (GAAP): Q2 2024 = 21.2%, Q2 2025 = 25.4% 2) Adj Earnings Per Share excluding special items; EPS (GAAP): Q2 2024 = \$0.65, Q2 2025 = \$1.00 3) Free Cash Flow = Cash provided from operations less Capital expenditures; Q2 2025: Cash provided from operations = \$446M, Cash used for financing activities = (\$339M), Cash used for investing activities = (\$97M) 4) Adjusted for special items; Last twelve months (LTM) Howmet adjusted EBITDA 5) FCF divided by Net Income excluding Special Items See appendix for reconciliations



**HOWMET**  
**AEROSPACE**

# Appendix

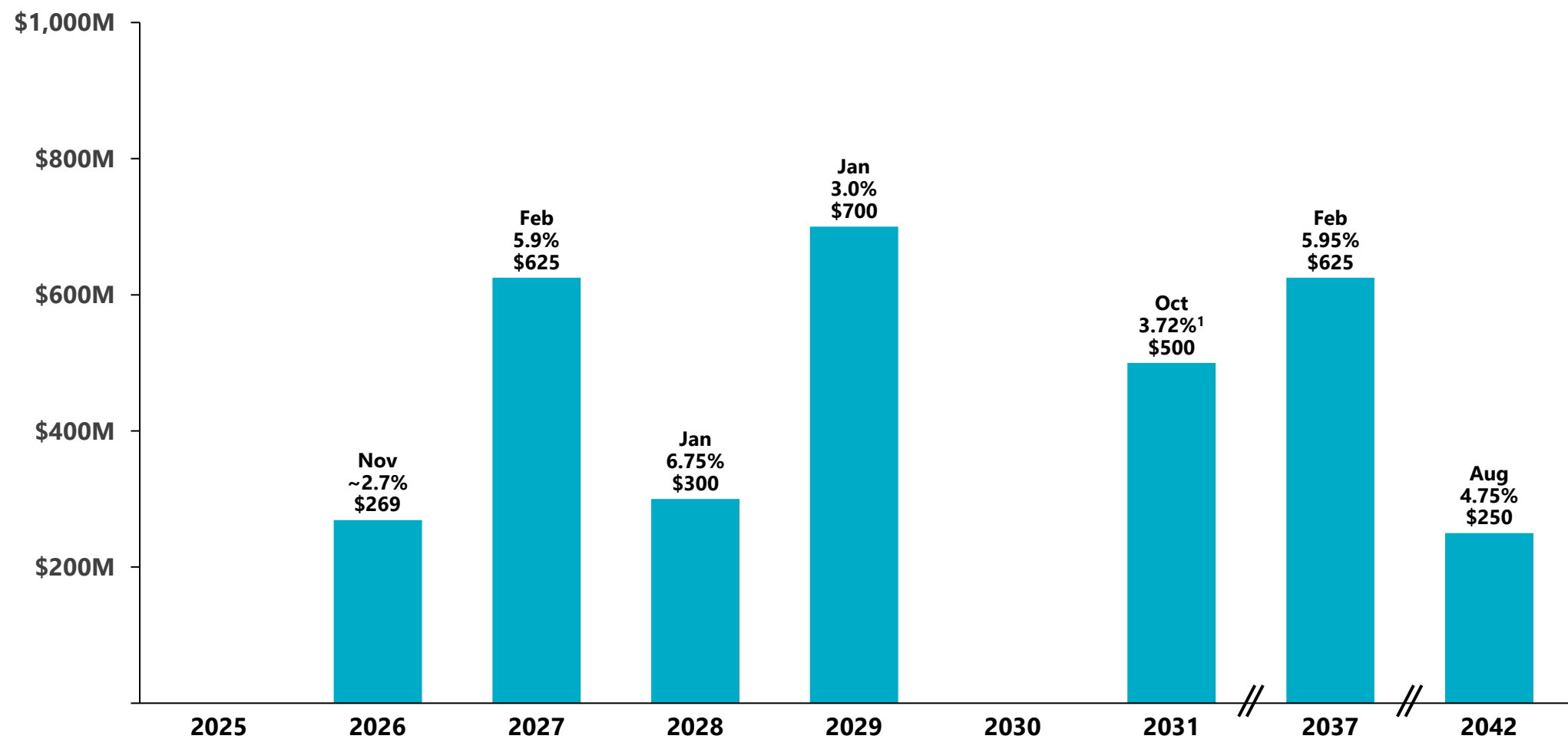


# 2025 Assumptions

	Full Year 2025	2025 Comments
Corporate Overhead	<b>~\$95M</b> <i>Previous: ~\$90M</i>	<ul style="list-style-type: none"> <li>Included in Adj EBITDA</li> </ul>
Depreciation and Amortization	~\$275M	
Interest Expense	<b>~\$150M</b> <i>Previous: ~\$160M</i>	
Operational Tax Rate	20.5% - 21.5%	<ul style="list-style-type: none"> <li>Cash Tax Rate <b>~18%</b></li> </ul>
Pension / OPEB Expense	~\$35M	<ul style="list-style-type: none"> <li>~\$5M Service Costs (included in Adj EBITDA)</li> <li>~\$30M Non-Service Costs (excluded from Adj EBITDA)</li> <li>~ Flat YoY</li> </ul>
Miscellaneous Other Expenses	<b>\$20M – \$25M</b> <i>Previous: \$25M – \$30M</i>	<ul style="list-style-type: none"> <li>Included in Other expense (income), net</li> <li>Examples are deferred compensation and foreign currency impacts</li> </ul>
Pension / OPEB Contributions	~\$65M	
Capex	<b>\$380M – \$400M</b> <i>Previous: \$340M – \$360M</i>	<ul style="list-style-type: none"> <li>Increase driven by Engine Products Capacity Expansion</li> </ul>
Diluted Share Count Average	~406M	<ul style="list-style-type: none"> <li>Common share buyback in <b>Q2 2025: \$175M; in July 2025: \$100M</b></li> <li>Excludes any potential additional common stock repurchases</li> </ul>



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



# Reconciliation of Net Income and Diluted EPS Excluding Special Items

(\$ in millions, except per-share amounts)	Q2 2024	Q1 2025	Q2 2025	Q2 YTD 2024	Q2 YTD 2025
Net income	\$266	\$344	\$407	\$509	\$751
Diluted Earnings Per Share ("EPS")	\$0.65	\$0.84	\$1.00	\$1.23	\$1.84
Average number of diluted shares	411	407	406	411	407
<b>Special items:</b>					
Restructuring and other charges (credits)	\$22	\$(4)	\$—	\$22	\$(4)
Plant fire reimbursements, net	(6)	—	—	(6)	—
Costs (benefits) associated with closures, supply chain disruptions, and other items	—	1	(1)	1	—
<b>Subtotal: Pre-tax special items</b>	<b>\$16</b>	<b>\$(3)</b>	<b>\$(1)</b>	<b>\$17</b>	<b>\$(4)</b>
Tax impact of Pre-tax special items <sup>(1)</sup>	—	1	—	—	1
<b>Subtotal</b>	<b>\$16</b>	<b>\$(2)</b>	<b>\$(1)</b>	<b>\$17</b>	<b>\$(3)</b>
Discrete and other tax special items <sup>(2)</sup>	\$(6)	\$9	\$(35)	\$(12)	\$(26)
<b>Total: After-tax special items</b>	<b>\$10</b>	<b>\$7</b>	<b>\$(36)</b>	<b>\$5</b>	<b>\$(29)</b>
<b>Net income excluding Special items</b>	<b>\$276</b>	<b>\$351</b>	<b>\$371</b>	<b>\$514</b>	<b>\$722</b>
<b>Diluted EPS excluding Special items</b>	<b>\$0.67</b>	<b>\$0.86</b>	<b>\$0.91</b>	<b>\$1.25</b>	<b>\$1.77</b>

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 (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.

<sup>(1)</sup> 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.

<sup>(2)</sup> Discrete tax items for Q2 2025 and Q2 YTD 2025 are discussed further in the Reconciliation of the Operational Tax Rate. Discrete tax items for Q2 2024 included an excess benefit for stock compensation (\$5). 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. Discrete tax items for Q2 YTD 2024 included an excess benefit for stock compensation (\$7), a benefit to release a valuation allowance related to U.S. foreign tax credits (\$6), and a net charge for other small items \$1.

# Reconciliation of Operational Tax Rate

(\$ in millions)	Q2 2025			Q2 YTD 2025		
	Effective tax rate, as reported	Special items <sup>(1)(2)</sup>	Operational tax rate, as adjusted	Effective tax rate, as reported	Special items <sup>(1)(2)</sup>	Operational tax rate, as adjusted
Income before income taxes	\$469	\$(1)	\$468	\$915	\$(4)	\$911
Provision for income taxes	\$62	\$35	\$97	\$164	\$25	\$189
Tax rate	13.2%		20.7%	17.9%		20.7%

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 Q2 2025 included Costs (benefits) associated with closures, supply chain disruptions, and other items (\$1). Pre-tax special items for Q2 YTD 2025 included Restructuring and other credits (\$4).
- (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 Q2 2025, benefits related to U.S. accounting method changes for certain prior period transaction and other costs (\$17), an excess benefit for stock compensation (\$13), and a net benefit related to U.S. federal and state research and development ("R&D") credits claimed for prior years (\$5); and
  - for Q2 YTD 2025, benefits related to U.S. accounting method changes for certain prior period transaction and other costs (\$17), an excess benefit for stock compensation (\$14), a net benefit related to U.S. federal and state research and development ("R&D") credits claimed for prior years (\$5), 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 \$2.

# Calculation of Segment Markets Revenue

(\$ in millions)	Engine Products	Fastening Systems	Engineered Structures	Forged Wheels	Total Segment
<b>Q2 2024</b>					
Aerospace - Commercial	\$528	\$251	\$200	\$—	\$979
Aerospace - Defense	\$192	\$37	\$61	\$—	\$290
Commercial Transportation	\$—	\$68	\$—	\$278	\$346
Industrial and Other	\$213	\$38	\$14	\$—	\$265
<b>Total end-market revenue</b>	<b>\$933</b>	<b>\$394</b>	<b>\$275</b>	<b>\$278</b>	<b>\$1,880</b>
<b>Q1 2025</b>					
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
<b>Total end-market revenue</b>	<b>\$996</b>	<b>\$412</b>	<b>\$282</b>	<b>\$252</b>	<b>\$1,942</b>
<b>Q2 2025</b>					
Aerospace - Commercial	\$574	\$297	\$189	\$—	\$1,060
Aerospace - Defense	\$217	\$44	\$91	\$—	\$352
Commercial Transportation	\$—	\$56	\$—	\$276	\$332
Industrial and Other	\$265	\$34	\$10	\$—	\$309
<b>Total end-market revenue</b>	<b>\$1,056</b>	<b>\$431</b>	<b>\$290</b>	<b>\$276</b>	<b>\$2,053</b>

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	Q2 2025
Third-party sales	\$ 885	\$ 933	\$ 945	\$ 972	\$ 3,735	\$ 996	\$ 1,056
Inter-segment sales	\$ 2	\$ 1	\$ 3	\$ 1	\$ 7	\$ 2	\$ 2
Provision for depreciation and amortization	\$ 33	\$ 33	\$ 34	\$ 39	\$ 139	\$ 34	\$ 35
Segment Adjusted EBITDA	\$ 249	\$ 292	\$ 307	\$ 302	\$ 1,150	\$ 325	\$ 349
Segment Adjusted EBITDA Margin	28.1 %	31.3 %	32.5 %	31.1 %	30.8 %	32.6 %	33.0 %
Depreciation and amortization % of Revenue	3.7 %	3.5 %	3.6 %	4.0 %	3.7 %	3.4 %	3.3 %
Restructuring and other (credits) charges	\$ —	\$ (1)	\$ 1	\$ 1	\$ 1	\$ —	\$ —
Capital expenditures	\$ 55	\$ 33	\$ 55	\$ 76	\$ 219	\$ 86	\$ 75

## Fastening Systems

Third-party sales	\$ 389	\$ 394	\$ 392	\$ 401	\$ 1,576	\$ 412	\$ 431
Inter-segment sales	\$ —	\$ —	\$ —	\$ 1	\$ 1	\$ —	\$ —
Provision for depreciation and amortization	\$ 11	\$ 13	\$ 12	\$ 11	\$ 47	\$ 12	\$ 12
Segment Adjusted EBITDA	\$ 92	\$ 101	\$ 102	\$ 111	\$ 406	\$ 127	\$ 126
Segment Adjusted EBITDA Margin	23.7 %	25.6 %	26.0 %	27.7 %	25.8 %	30.8 %	29.2 %
Depreciation and amortization % of Revenue	2.8 %	3.3 %	3.1 %	2.7 %	3.0 %	2.9 %	2.8 %
Restructuring and other charges	\$ —	\$ 2	\$ 1	\$ 2	\$ 5	\$ —	\$ 1
Capital expenditures	\$ 7	\$ 5	\$ 5	\$ 9	\$ 26	\$ 10	\$ 9

# Calculation of Segment Information (continued)

(\$ in millions)

## Engineered Structures

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025
Third-party sales	\$ 262	\$ 275	\$ 253	\$ 275	\$ 1,065	\$ 282	\$ 290
Inter-segment sales	\$ 1	\$ 3	\$ 3	\$ 3	\$ 10	\$ 3	\$ 3
Provision for depreciation and amortization	\$ 11	\$ 11	\$ 10	\$ 10	\$ 42	\$ 12	\$ 10
Segment Adjusted EBITDA	\$ 37	\$ 40	\$ 38	\$ 51	\$ 166	\$ 60	\$ 62
Segment Adjusted EBITDA Margin	14.1 %	14.5 %	15.0 %	18.5 %	15.6 %	21.3 %	21.4 %
Depreciation and amortization % of Revenue	4.2 %	4.0 %	4.0 %	3.6 %	3.9 %	4.3 %	3.4 %
Restructuring and other charges (credits)	\$ —	\$ 18	\$ (3)	\$ (3)	\$ 12	\$ (4)	\$ —
Capital expenditures	\$ 6	\$ 5	\$ 5	\$ 4	\$ 20	\$ 5	\$ 6

## Forged Wheels

Third-party sales	\$ 288	\$ 278	\$ 245	\$ 243	\$ 1,054	\$ 252	\$ 276
Provision for depreciation and amortization	\$ 10	\$ 10	\$ 10	\$ 12	\$ 42	\$ 10	\$ 10
Segment Adjusted EBITDA	\$ 82	\$ 75	\$ 64	\$ 66	\$ 287	\$ 68	\$ 76
Segment Adjusted EBITDA Margin	28.5 %	27.0 %	26.1 %	27.2 %	27.2 %	27.0 %	27.5 %
Depreciation and amortization % of Revenue	3.5 %	3.6 %	4.1 %	4.9 %	4.0 %	4.0 %	3.6 %
Restructuring and other charges (credits)	\$ —	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ (1)
Capital expenditures	\$ 12	\$ 9	\$ 14	\$ 10	\$ 45	\$ 15	\$ 8

# 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	Q2 2025
Income before income taxes	\$303	\$334	\$354	\$392	\$1,383	\$446	\$469
Loss on debt redemption	—	—	6	—	6	—	—
Interest expense, net	49	49	44	40	182	39	38
Other expense, net	17	15	17	13	62	9	14
<b>Operating income</b>	<b>\$369</b>	<b>\$398</b>	<b>\$421</b>	<b>\$445</b>	<b>\$1,633</b>	<b>\$494</b>	<b>\$521</b>
Segment provision for depreciation and amortization	65	67	66	72	270	68	67
<b>Unallocated amounts:</b>							
Restructuring and other charges (credits)	—	22	(1)	—	21	(4)	—
Corporate expense <sup>(1)</sup>	26	21	25	13	85	22	25
<b>Total Segment Adjusted EBITDA</b>	<b>\$460</b>	<b>\$508</b>	<b>\$511</b>	<b>\$530</b>	<b>\$2,009</b>	<b>\$580</b>	<b>\$613</b>
<b>Total Segment third-party sales</b>	<b>1,824</b>	<b>1,880</b>	<b>1,835</b>	<b>1,891</b>	<b>7,430</b>	<b>1,942</b>	<b>2,053</b>
<b>Total Segment Adjusted EBITDA margin</b>	<b>25.2%</b>	<b>27.0%</b>	<b>27.8%</b>	<b>28.0%</b>	<b>27.0%</b>	<b>29.9%</b>	<b>29.9%</b>

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 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.

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

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

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

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

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025	Q2 YTD 2024	Q2 YTD 2025
Third-party sales	\$1,824	\$1,880	\$1,835	\$1,891	\$7,430	\$1,942	\$2,053	\$3,704	\$3,995
Operating income	\$369	\$398	\$421	\$445	\$1,633	\$494	\$521	\$767	\$1,015
Operating income margin	20.2%	21.2%	22.9%	23.5%	22.0%	25.4%	25.4%	20.7%	25.4%
Net income	\$243	\$266	\$332	\$314	\$1,155	\$344	\$407	\$509	\$751
Add:									
Provision for income taxes	\$60	\$68	\$22	\$78	\$228	\$102	\$62	\$128	\$164
Other expense, net	17	15	17	13	62	9	14	32	23
Loss on debt redemption	—	—	6	—	6	—	—	—	—
Interest expense, net	49	49	44	40	182	39	38	98	77
Restructuring and other charges (credits)	—	22	(1)	—	21	(4)	—	22	(4)
Provision for depreciation and amortization	67	69	68	73	277	69	69	136	138
<b>Adjusted EBITDA</b>	<b>\$436</b>	<b>\$489</b>	<b>\$488</b>	<b>\$518</b>	<b>\$1,931</b>	<b>\$559</b>	<b>\$590</b>	<b>\$925</b>	<b>\$1,149</b>
Add:									
Plant fire reimbursements, net	\$—	\$(6)	\$—	\$(12)	\$(18)	\$—	\$—	\$(6)	\$—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1	(1)	1	—
<b>Adjusted EBITDA excluding Special items</b>	<b>\$437</b>	<b>\$483</b>	<b>\$487</b>	<b>\$507</b>	<b>\$1,914</b>	<b>\$560</b>	<b>\$589</b>	<b>\$920</b>	<b>\$1,149</b>
<b>Adjusted EBITDA margin excluding Special items</b>	<b>24.0%</b>	<b>25.7%</b>	<b>26.5%</b>	<b>26.8%</b>	<b>25.8%</b>	<b>28.8%</b>	<b>28.7%</b>	<b>24.8%</b>	<b>28.8%</b>

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. 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	Q2 2025	Q2 YTD 2024	Q2 YTD 2025
Third-party sales	\$1,824	\$1,880	\$1,835	\$1,891	\$7,430	\$1,942	\$2,053	\$3,704	\$3,995
Operating income	\$369	\$398	\$421	\$445	\$1,633	\$494	\$521	\$767	\$1,015
Operating income margin	20.2%	21.2%	22.9%	23.5%	22.0%	25.4%	25.4%	20.7%	25.4%
<b>Add:</b>									
Restructuring and other charges (credits)	\$—	\$22	\$(1)	\$—	\$21	\$(4)	\$—	\$22	\$(4)
Plant fire reimbursements, net	—	(6)	—	(12)	(18)	—	—	(6)	—
Costs (benefits) associated with closures, supply chain disruptions, and other items	1	—	(1)	1	1	1	(1)	1	—
<b>Adjusted operating income excluding Special items</b>	<b>\$370</b>	<b>\$414</b>	<b>\$419</b>	<b>\$434</b>	<b>\$1,637</b>	<b>\$491</b>	<b>\$520</b>	<b>\$784</b>	<b>\$1,011</b>
<b>Adjusted operating income margin excluding Special items</b>	<b>20.3%</b>	<b>22.0%</b>	<b>22.8%</b>	<b>23.0%</b>	<b>22.0%</b>	<b>25.3%</b>	<b>25.3%</b>	<b>21.2%</b>	<b>25.3%</b>

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 2025	Q2 2025	Q2 YTD 2025
Cash provided from operations	\$253	\$446	\$699
Capital expenditures	(119)	(102)	(221)
Free cash flow	\$134	\$344	\$478

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	
	March 31, 2025	June 30, 2025
<b>Net income</b>	<b>\$1,256</b>	<b>\$1,397</b>
<b>Add:</b>		
Provision for income taxes	270	264
Other expense, net	54	53
Loss on debt redemption	6	6
Interest expense, net	172	161
Restructuring and other charges (credits)	17	(5)
Provision for depreciation and amortization	279	279
<b>Adjusted EBITDA</b>	<b>\$2,054</b>	<b>\$2,155</b>
<b>Add:</b>		
Plant fire reimbursements, net	(18)	(12)
Costs associated with closures, supply chain disruptions, and other items	1	—
<b>Adjusted EBITDA excluding Special items</b>	<b>\$2,037</b>	<b>\$2,143</b>
<b>Long-term debt due within one year</b>	<b>\$7</b>	<b>\$5</b>
<b>Long-term debt, less amount due within one year</b>	<b>\$3,317</b>	<b>\$3,253</b>
<b>Total Debt, at period end</b>	<b>\$3,324</b>	<b>\$3,258</b>
<b>Less: Cash, cash equivalents, and restricted cash, at period end</b>	<b>\$537</b>	<b>\$546</b>
<b>Net Debt, at period end</b>	<b>\$2,787</b>	<b>\$2,712</b>
<b>Total Debt to Net Income</b>	<b>2.6</b>	<b>2.3</b>
<b>Net Debt to Adjusted EBITDA excluding Special items</b>	<b>1.4</b>	<b>1.3</b>

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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