



Third Quarter 2019
Earnings Conference Call

October 24, 2019

Forward Looking Statements

The information contained in this presentation includes statements based on management's current expectations, estimates and projections that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include statements regarding the company's anticipated financial and operating performance, relate to future events and expectations and involve known and unknown risks and uncertainties. The Company cautions that such forward-looking statements are not guarantees of future performance or events and involve significant risks and uncertainties and actual events may vary materially from those expressed or implied in the forward-looking statements as a result of various factors. For a summary of specific risk factors that could cause results to differ materially from those expressed in the forward-looking statements, please refer to the company's reports filed with the Securities and Exchange Commission, including the company's most recent Forms 10-Q and 10-K. All information in this presentation is as of the date of the presentation. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations except as may be required by law.

Non-Run-Rate Items

Non-run-rate items to us are items that, while they may recur from period to period, (1) are particularly material to results, (2) impact costs as a result of external market factors and (3) may not recur in future periods if the same level of underlying performance were to occur. These are part of our business and operating environment but are worthy of being highlighted for the benefit of the users of our financial statements.

Further, presentations including such terms as net income, operating income, or earnings before interest, tax, depreciation and amortization (“EBITDA”) “before non-run-rate”, “after adjustments” or “adjusted”, are not intended to be (and should not be relied on) in lieu of the comparable caption under generally accepted accounting principles (“GAAP”) to which it is reconciled. Such presentations are solely intended to provide greater clarity of the impact of certain material items on the GAAP measure and are not intended to imply such items should be excluded.

Non-GAAP Financial Measures

This information contains certain non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. Pursuant to the requirements of Regulation G, the Company has provided a reconciliation of non-GAAP financial measures to the most directly comparable financial measure in the accompanying tables.

The non-GAAP financial measures used within this presentation are value added revenue, EBITDA, Adjusted EBITDA, operating income excluding non-run-rate items, adjusted net income and earnings per diluted share, excluding non-run-rate items and ratios related thereto. These measures are presented because management uses this information to monitor and evaluate financial results and trends and believes this information to also be useful for investors.

2019 Third Quarter and Nine Months

	<u>2019 Q3</u>	<u>B(W) than Prior Year</u>	<u>YTD⁵</u>	<u>B(W) than Prior Year</u>
VAR ¹	\$215	+5%	\$642	+4%
EBITDA ²	\$57	+20%	\$160	+7%
Margin ³	26.4%	+330bps	25.0%	+70bps
EPS ⁴	\$1.82	+27%	\$5.06	+7%

▪ Record Q3 2019 Value Added Revenue and EBITDA

- Continued strength in aerospace order book and strong value added pricing
- Reduced general engineering shipments—weakening demand, supply chain destocking; HT plate capacity constrained
- Auto shipments and manufacturing efficiency impacted by delays in program launches and GM strike

▪ Record YTD 2019 Value Added Revenue, EBITDA and Adjusted EPS

- Strong underlying momentum despite ~\$15M EBITDA impact from planned and unplanned downtime
- Automotive transition from end-of-life programs to new programs and related inefficiencies

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 19 and 20

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slide 22 and 23

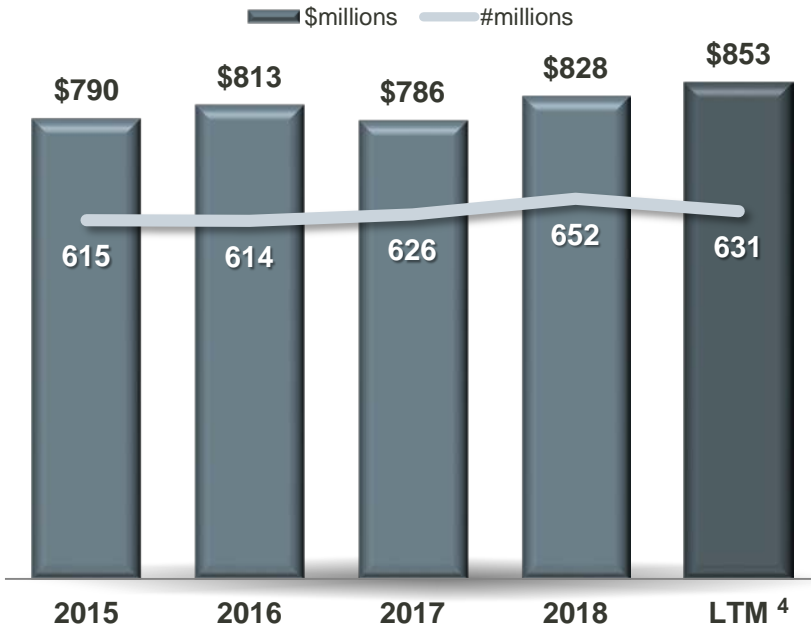
³ EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

⁴ EPS = Earnings Per Diluted Share

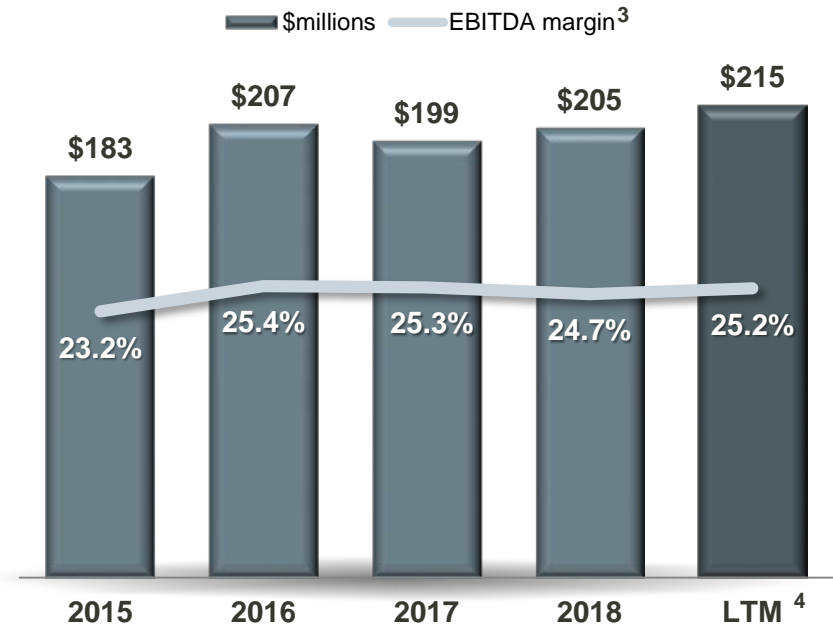
⁵ YTD = Nine Months as of September 30, 2019

Outlook

Value Added Revenue¹



EBITDA²



- **FY 2019 VAR and EBITDA margin outlook unchanged; shipments outlook revised**
 - Reiterate low-to-mid-single digit increase in VAR, EBITDA margin >25%
 - Anticipate y/y decrease in shipments due to higher value added mix (more aero, less auto/industrial)
- **4Q outlook—expect strong aero, normal industrial/auto seasonality, \$3-\$6M EBITDA impact from GM strike**
- **2020 outlook—strong aerospace order book, expect auto shipments growth, no significant planned downtime**

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slide 18

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slide 24

³ EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

⁴ LTM = Last Twelve Months, as of September 30, 2019

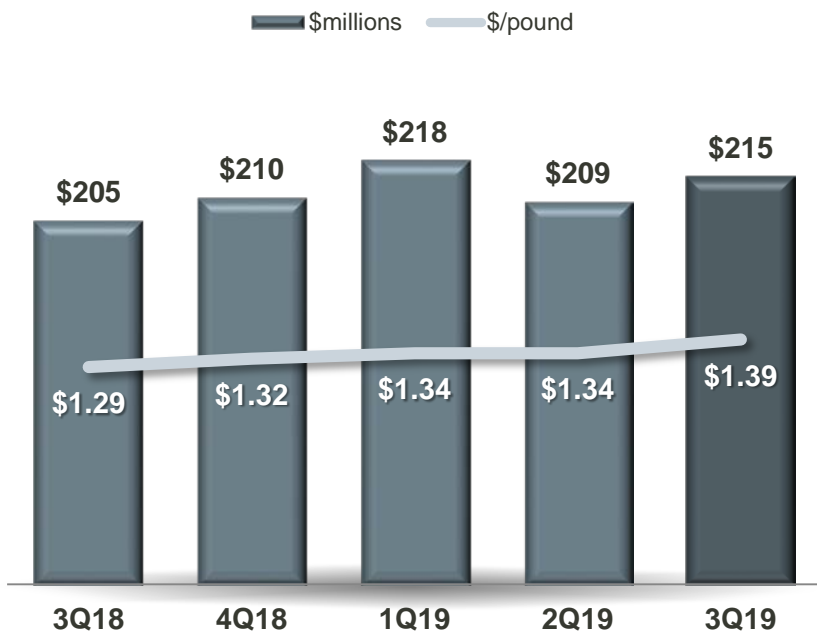
Heat Treat Plate Capacity

- **Robust 2019 aerospace plate demand constrained capacity for GE plate**
- **Expect increased plate capacity in 2020—full realization of Trentwood modernization investments, and no significant planned downtime**
- **Plans for additional capacity expansion at Trentwood?**
 - Timing on Phase 7 and additional phases based on market conditions and customer needs
 - Expect brown site expansions to meet expected customer capacity requirements decades into the future; Phase 7 and future phases will be consistent with the future state vision

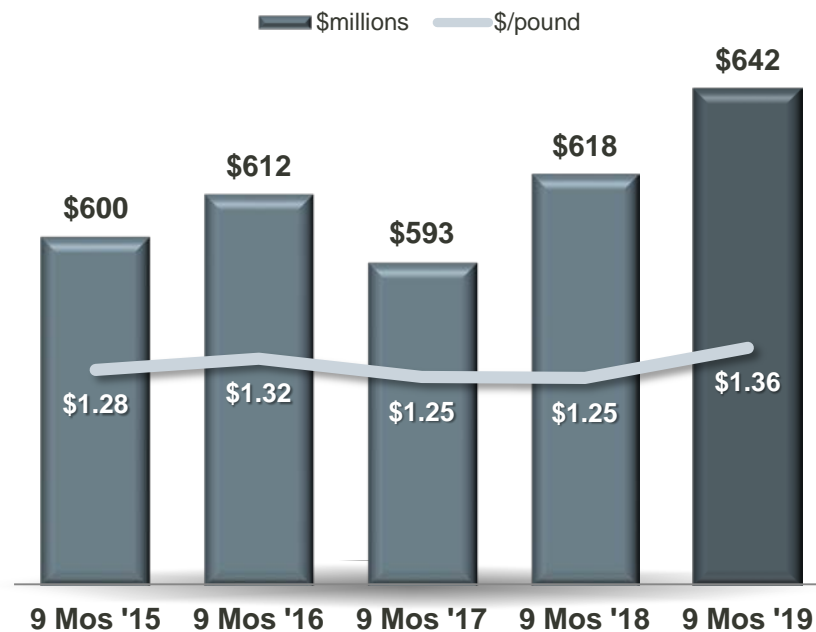
**Third Quarter and First Nine Months 2019
Financial Recap
Neal E. West, SVP & CFO**

Value Added Revenue¹

Quarterly Value Added Revenue



9 Months Value Added Revenue



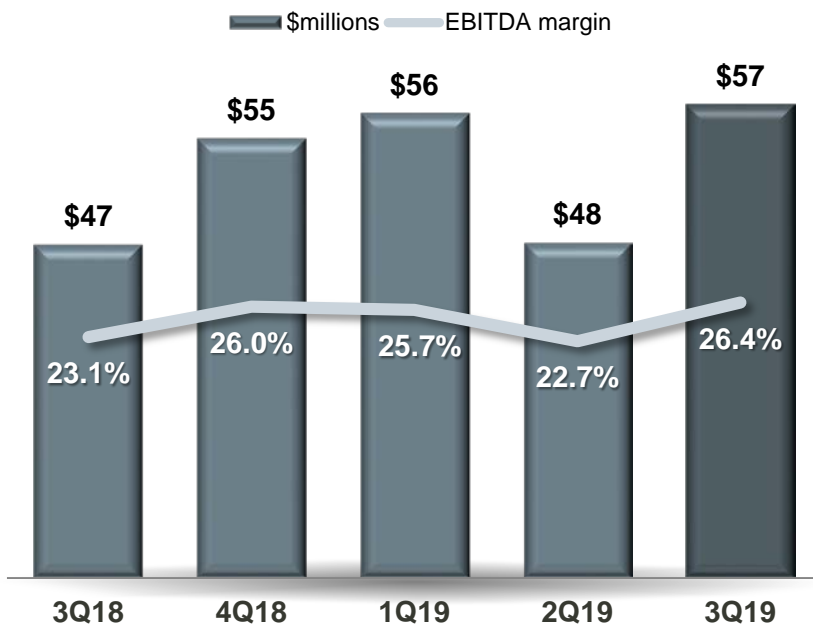
3Q and 1st 9 months: Strong value added pricing and aerospace demand drove results

- Improved pricing on non-contract sales
- Strong demand and shipments for our aerospace products
- Lower general engineering shipments - weakening demand, reduced capacity for general engineering plate
- Lower auto shipments - delays in program launches and impact of the GM strike

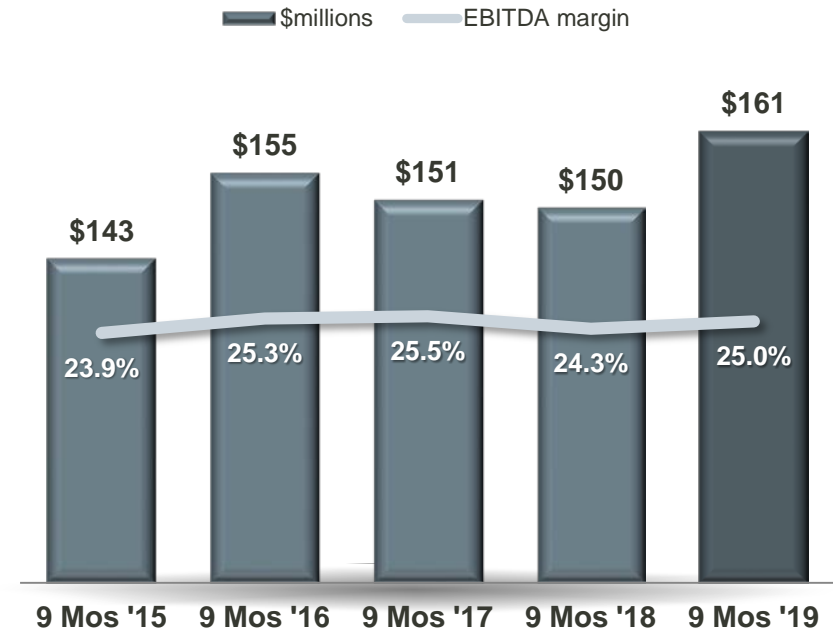
¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 16 and 17

Adjusted EBITDA¹ and EBITDA Margin²

Quarterly Adjusted EBITDA and EBITDA Margin



9 Months Adjusted EBITDA and EBITDA Margin



3Q19: Record adjusted EBITDA

- Strong aerospace demand
- Higher value added pricing partially offset by lower auto shipments and related cost inefficiencies

9 months: EBITDA driven by strong aero demand and higher value added pricing partially offset by:

- ~\$15 million impact of Trentwood's 1H19 planned and unplanned downtime
- Auto product mix transition, related cost inefficiencies

¹ EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22 and 23

² EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

Consolidated Financial Highlights

<i>(in \$millions except Shipments & EPS)</i>	Quarterly				Nine Months		
	<u>3Q18</u>	<u>4Q18</u>	<u>1Q19</u>	<u>2Q19</u>	<u>3Q19</u>	<u>3Q18</u>	<u>3Q19</u>
Shipments <i>(in millions of lbs.)</i>	159	159	163	156	154	494	473
Net Sales	\$393	\$389	\$395	\$375	\$375	\$1,197	\$1,145
Value Added Revenue ¹	\$205	\$210	\$218	\$209	\$215	\$618	\$642
As Reported:							
Operating Income	\$35	\$37	\$43	\$32	\$41	\$107	\$116
Net Income	\$22	\$24	\$28	\$19	\$25	\$68	\$73
EPS ²	\$1.29	\$1.41	\$1.71	\$1.18	\$1.57	\$4.03	\$4.47
Adjusted:							
Operating Income	\$36	\$43	\$44	\$35	\$44	\$118	\$124
EBITDA ³	\$47	\$55	\$56	\$48	\$57	\$150	\$160
EBITDA margin ⁴	23.1%	26.0%	25.7%	22.7%	26.4%	24.3%	25.0%
Net Income ⁵	\$24	\$28	\$30	\$23	\$29	\$80	\$82
EPS ⁶	\$1.43	\$1.77	\$1.85	\$1.40	\$1.82	\$4.72	\$5.06

¹ Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 16 and 20

² As Reported EPS = Reported Earnings Per diluted Share; refer to slides 25 and 26

³ EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22 and 23

⁴ EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

⁵ Adjusted Net Income = Reported Net Income excluding non-run-rate items; refer to slides 25 and 26

⁶ Adjusted EPS = Reported Earnings Per diluted Share excluding non-run-rate items; refer to slides 25 and 26

Totals may not sum due to rounding

Closing Remarks

Jack A. Hockema, CEO and Chairman

Summary

- **Record 3Q and YTD results**
- **2019 VAR and margin outlook unchanged**
 - Strong aerospace shipments and value added pricing
 - Weakening general engineering demand
 - Automotive products transitioning from end-of-life programs to new program launches
- **Long-term outlook:**
 - Continued secular demand growth for aerospace and automotive applications
 - Trentwood modernization to drive further efficiency, quality and capacity benefits
- **Strong balance sheet and cash flow generation support continued investments and flexibility to manage through economic and business cycles**

KAISEER
ALUMINUM



A collection of various aluminum extrusions, including a long cylindrical rod, several rectangular bars of different sizes, and a large L-shaped profile, all arranged in a stack. The metal has a brushed, matte finish and is set against a white background with soft shadows.

Appendix

Sales Analysis By Application - Quarterly

	Quarterly				
	3Q18	4Q18	1Q19	2Q19	3Q19
Shipments (lbs, mm)					
Aero & High Strength	62.7	68.5	67.0	64.0	67.1
General Engineering	62.7	57.8	63.0	62.7	57.7
Automotive Extrusions	24.1	24.7	25.6	22.7	23.5
Other Applications ¹	9.3	7.6	7.0	6.3	5.9
Total	158.8	158.6	162.6	155.7	154.2
Value Added Revenue ² (\$mm)					
Aero & High Strength	\$ 112.5	\$ 122.0	\$ 124.9	\$ 120.7	\$ 127.6
General Engineering	58.4	54.6	61.5	61.2	57.7
Automotive Extrusions	27.5	27.4	25.7	21.6	23.8
Other Applications	6.6	6.1	6.3	5.7	5.7
Total	\$ 205.0	\$ 210.1	\$ 218.4	\$ 209.2	\$ 214.8
Value Added Revenue (\$/lb.)					
Aero & High Strength	\$ 1.79	\$ 1.78	\$ 1.86	\$ 1.89	\$ 1.90
General Engineering	0.93	0.95	0.98	0.98	1.00
Automotive Extrusions	1.14	1.11	1.00	0.95	1.01
Other Applications	0.71	0.80	0.90	0.90	0.97
Overall ³	\$ 1.29	\$ 1.32	\$ 1.34	\$ 1.34	\$ 1.39

¹ Includes custom industrial products and billet

² Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slide 19

³ Total VAR / Total Shipments

Totals may not sum due to rounding

Sales Analysis By Application – Nine Months

	Nine Months				
	2015	2016	2017	2018	2019
<u>Shipments</u> (lbs, mm)					
Aero & High Strength	183.6	179.2	172.8	180.3	198.1
General Engineering	175.6	190.4	203.1	209.2	183.4
Automotive Extrusions	70.8	70.8	75.9	79.6	71.8
Other Applications ¹	38.2	22.1	20.9	24.7	19.2
Total	468.2	462.5	472.7	493.8	472.5
<u>Value Added Revenue</u> ² (\$mm)					
Aero & High Strength	\$ 339.5	\$ 348.0	\$ 320.5	\$ 332.9	\$ 373.2
General Engineering	152.4	160.4	165.2	177.9	180.4
Automotive Extrusions	83.1	85.5	88.7	89.6	71.1
Other Applications	24.9	18.0	18.2	17.6	17.7
Total	\$ 599.9	\$ 612.0	\$ 592.6	\$ 617.8	\$ 642.4
<u>Value Added Revenue</u> (\$/lb.)					
Aero & High Strength	\$ 1.85	\$ 1.94	\$ 1.85	\$ 1.85	\$ 1.88
General Engineering	0.87	0.84	0.81	0.85	0.98
Automotive Extrusions	1.17	1.21	1.17	1.12	0.99
Other Applications	0.65	0.81	0.87	0.71	0.92
Overall ³	\$ 1.28	\$ 1.32	\$ 1.25	\$ 1.25	\$ 1.36

¹ Includes custom industrial products and billet

² Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slide 20

³ Total VAR / Total Shipments

Totals may not sum due to rounding

Sales Analysis By Application - Annual

	Annual				
	FY 2015	FY 2016	FY 2017	FY 2018	LTM ⁴
Shipments (lbs, mm)					
Aero & High Strength	243.5	243.2	233.0	248.8	266.6
General Engineering	231.4	249.9	264.7	266.9	241.2
Automotive Extrusions	93.5	92.9	101.0	104.4	96.5
Other Applications ¹	47.0	28.3	27.0	32.3	26.8
Total	615.4	614.3	625.7	652.4	631.1
Value Added Revenue ² (\$mm)					
Aero & High Strength	\$ 449.1	\$ 466.9	\$ 430.3	\$ 455.0	\$ 495.2
General Engineering	200.0	211.2	215.0	232.5	235.0
Automotive Extrusions	110.5	111.8	117.7	116.7	98.5
Other Applications	30.3	23.1	23.3	23.7	23.8
Total	\$ 789.9	\$ 813.0	\$ 786.3	\$ 827.9	\$ 852.5
Value Added Revenue ³ (\$/lb.)					
Aero & High Strength	\$ 1.84	\$ 1.92	\$ 1.85	\$ 1.83	\$ 1.86
General Engineering	0.86	0.85	0.81	0.87	0.97
Automotive Extrusions	1.18	1.20	1.17	1.12	1.02
Other Applications	0.64	0.82	0.86	0.73	0.89
Overall ³	\$ 1.28	\$ 1.32	\$ 1.26	\$ 1.27	\$ 1.35

¹ Includes custom industrial products and billet

² Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slide 21

³ Total VAR / Total Shipments

⁴ LTM = Last Twelve Months, as of September 30, 2019

Totals may not sum due to rounding

Reconciliation of Net Sales to Value Added Revenue – Quarterly

	Quarterly				
	3Q18	4Q18	1Q19	2Q19	3Q19
Net Sales (\$mm)					
Aero & High Strength	\$ 185.7	\$ 198.5	\$ 198.5	\$ 189.4	\$ 198.9
General Engineering	133.9	120.9	130.0	128.2	117.1
Automotive Extrusions	56.1	55.4	53.0	45.5	47.5
Other Applications ¹	17.4	14.6	13.7	12.2	11.4
Total	\$ 393.1	\$ 389.4	\$ 395.2	\$ 375.3	\$ 374.9
Hedged Cost of Alloyed Metal ² (\$mm)					
Aero & High Strength	\$ 73.2	\$ 76.5	\$ 73.6	\$ 68.7	\$ 71.3
General Engineering	75.5	66.3	68.5	67.0	59.4
Automotive Extrusions	28.6	28.0	27.3	23.9	23.7
Other Applications	10.8	8.5	7.4	6.5	5.7
Total	\$ 188.1	\$ 179.3	\$ 176.8	\$ 166.1	\$ 160.1
Value Added Revenue ³ (\$mm)					
Aero & High Strength	\$ 112.5	\$ 122.0	\$ 124.9	\$ 120.7	\$ 127.6
General Engineering	58.4	54.6	61.5	61.2	57.7
Automotive Extrusions	27.5	27.4	25.7	21.6	23.8
Other Applications	6.6	6.1	6.3	5.7	5.7
Total	\$ 205.0	\$ 210.1	\$ 218.4	\$ 209.2	\$ 214.8

¹ Includes custom industrial products and billet

² Hedged cost of alloyed metal is our Midwest transaction price of aluminum plus the price of alloying elements plus any realized gains and/or losses on settled hedges, related to the metal sold in the referenced period.

³ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

Totals may not sum due to rounding

Reconciliation of Net Sales to Value Added Revenue – Nine Months

	Nine Months				
	2015	2016	2017	2018	2019
<u>Net Sales</u> (\$mm)					
Aero & High Strength	\$ 531.4	\$ 500.7	\$ 483.2	\$ 540.9	\$ 586.8
General Engineering	331.5	318.3	361.1	425.1	375.3
Automotive Extrusions	153.3	143.7	161.6	183.9	146.0
Other Applications ¹	59.1	36.0	38.5	46.6	37.3
Total	\$ 1,075.3	\$ 998.7	\$ 1,044.4	\$ 1,196.5	\$ 1,145.4
<u>Hedged Cost of Alloyed Metal</u> ² (\$mm)					
Aero & High Strength	\$ 191.9	\$ 152.7	\$ 162.7	\$ 208.0	\$ 213.6
General Engineering	179.1	157.8	195.9	247.2	194.9
Automotive Extrusions	70.2	58.1	72.9	94.5	74.9
Other Applications	34.2	18.0	20.3	29.0	19.6
Total	\$ 475.4	\$ 386.6	\$ 451.8	\$ 578.7	\$ 503.0
<u>Value Added Revenue</u> ³ (\$mm)					
Aero & High Strength	\$ 339.5	\$ 348.0	\$ 320.5	\$ 332.9	\$ 373.2
General Engineering	152.4	160.4	165.2	177.9	180.4
Automotive Extrusions	83.1	85.5	88.7	89.4	71.1
Other Applications	24.9	18.0	18.2	17.6	17.7
Overall	\$ 599.9	\$ 612.0	\$ 592.6	\$ 617.8	\$ 642.4

¹ Includes custom industrial products and billet

² Hedged cost of alloyed metal is our Midwest transaction price of aluminum plus the price of alloying elements plus any realized gains and/or losses on settled hedges, related to the metal sold in the referenced period.

³ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

Totals may not sum due to rounding

Reconciliation of Net Sales to Value Added Revenue – Annual

	Annual				
	FY 2015	FY 2016	FY 2017	FY 2018	LTM ⁴
Net Sales (\$mm)					
Aero & High Strength	\$ 695.5	\$ 675.4	\$ 653.7	\$ 739.4	\$ 785.3
General Engineering	426.1	420.1	476.2	546.0	496.2
Automotive Extrusions	199.2	188.8	217.3	239.3	201.4
Other Applications ¹	71.1	46.3	50.3	61.2	51.9
Total	\$ 1,391.9	\$ 1,330.6	\$ 1,397.5	\$ 1,585.9	\$ 1,534.8
Hedged Cost of Alloyed Metal ² (\$mm)					
Aero & High Strength	\$ 246.4	\$ 208.5	\$ 223.4	\$ 284.4	\$ 290.1
General Engineering	226.1	208.9	261.2	313.5	261.2
Automotive Extrusions	88.7	77.0	99.6	122.6	102.9
Other Applications	40.8	23.2	27.0	37.5	28.1
Total	\$ 602.0	\$ 517.6	\$ 611.2	\$ 758.0	\$ 682.3
Value Added Revenue ³ (\$mm)					
Aero & High Strength	\$ 449.1	\$ 466.9	\$ 430.3	\$ 455.0	\$ 495.2
General Engineering	200.0	211.2	215.0	232.5	235.0
Automotive Extrusions	110.5	111.8	117.7	116.7	98.5
Other Applications	30.3	23.1	23.3	23.7	23.8
Overall	\$ 789.9	\$ 813.0	\$ 786.3	\$ 827.9	\$ 852.5

¹ Includes custom industrial products and billet

² Hedged cost of alloyed metal is our Midwest transaction price of aluminum plus the price of alloying elements plus any realized gains and/or losses on settled hedges, related to the metal sold in the referenced period.

³ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

⁴ LTM = Last Twelve Months, as of September 30, 2019

Totals may not sum due to rounding

Reconciliation of Reported Net Income to Adjusted EBITDA - Quarterly

(in \$ millions)	Quarterly				
	3Q18	4Q18	1Q19	2Q19	3Q19
Consolidated - Reported Net Income	\$21.7	\$23.6	\$28.0	\$19.2	\$25.4
Interest Expense	5.7	5.7	5.7	5.8	5.8
Other (Income) Expense	(0.7)	1.2	(0.5)	0.1	0.8
Income Tax Provision	8.2	6.4	9.8	7.3	8.7
Consolidated - Reported Operating Income	\$34.9	\$36.9	\$43.0	\$32.4	\$40.7
Operating NRR ¹ items:					
Mark-to-Market Loss ²	2.9	3.0	2.4	1.5	1.1
Consolidated LIFO to Plant LIFO Adjustment	(2.2)	1.5	(1.8)	1.0	2.1
Workers' Compensation Discount Rate Effect	(0.2)	0.1	0.3	0.4	0.2
Impairment Loss	-	1.3	-	0.1	-
Legacy Environmental	1.0	0.2	0.4	-	0.3
VEBA Net Periodic Benefit Cost	-	0.1	-	-	-
Total Operating NRR Items	1.5	6.2	1.3	3.0	3.7
Consolidated Operating Income before operating NRR	36.4	43.1	44.3	35.4	44.4
Depreciation & Amortization - Consolidated	11.0	11.5	11.9	12.1	12.3
Consolidated - Adjusted EBITDA	\$47.4	\$54.6	\$56.2	\$47.5	\$56.7

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

² Mark-to-market loss on derivative instruments for 2018 and 2019 represents the reversal of mark-to-market gain on hedges entered into prior to the adoption of ASU 2017-12 and settled in 2018 and 2019. Operating income excluding non-run-rate items reflects the realized loss of such settlements.

Totals may not sum due to rounding

Reconciliation of Reported Net Income to Adjusted EBITDA by Nine Months

<i>(in \$ millions)</i>	9 Months				
	2015	2016	2017	2018	2019
Consolidated - Reported Net (Loss) Income	(\$249.9)	\$67.2	\$60.6	\$68.1	\$72.6
Interest Expense	19.9	14.7	16.4	17.0	17.3
Other (Income) Expense	0.1	12.8	(0.5)	(0.3)	0.4
Income Tax (Benefit) Provision	(151.2)	40.2	36.8	21.9	25.8
Consolidated - Reported Operating (Loss) Income¹	(\$381.1)	\$134.9	\$113.3	\$106.7	\$116.1
Operating NRR ² items:					
Mark-to-Market Loss (Gain) ³	7.7	(16.9)	(14.0)	14.7	5.0
Consolidated LIFO to Plant LIFO Adjustment	(1.1)	2.2	3.9	(4.6)	1.3
Lower of Cost or Market Inventory Write-Down	-	4.9	-	-	-
Workers' Compensation Discount Rate Effect	0.2	-	0.1	(0.6)	0.9
Goodwill Impairment	-	-	18.4	-	-
Impairment Loss	-	2.8	-	0.1	0.1
Legacy Environmental	0.8	-	0.2	1.5	0.7
VEBA Net Periodic Benefit Cost (Income) ¹	1.8	-	-	-	-
Loss on Removal of Union VEBA Net Assets ⁴	490.9	-	-	-	-
Total Operating NRR Items	500.3	(7.0)	8.6	11.1	8.0
Consolidated Operating Income before operating NRR	119.2	127.9	121.9	117.8	124.1
Depreciation & Amortization - Consolidated	24.2	26.7	29.3	32.4	36.3
Consolidated - Adjusted EBITDA	\$143.4	\$154.6	\$151.2	\$150.2	\$160.4

¹ 2016 and 2017 restated to reflect the retrospective adoption of ASU 2017-07

² NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

³ Mark-to-market loss (gain) on derivative instruments for 2018 and 2019 represents the reversal of mark-to-market loss (gain) on hedges entered into prior to the adoption of ASU 2017-12 and settled in 2018 and 2019. Operating income excluding non-run-rate items reflects the realized (gain) loss of such settlements.

⁴ Includes effect of terminating the defined benefit accounting for the Union VEBA, and related accrual adjustments

Totals may not sum due to rounding

Reconciliation of Reported Net Income to Adjusted EBITDA - Annual

(in \$ millions)	Annual				
	2015	2016	2017	2018	LTM ⁴
Consolidated - Reported Net (Loss) Income	(\$236.6)	\$91.7	\$45.4	\$91.7	\$96.2
Interest Expense	24.1	20.3	22.2	22.7	23.0
Other Expense	1.8	13.6	-	0.9	1.6
Income Tax (Benefit) Provision	(135.2)	55.5	87.6	28.3	32.2
Consolidated - Reported Operating (Loss) Income¹	(\$345.9)	\$181.1	\$155.2	\$143.6	\$153.0
Operating NRR ² items:					
Mark-to-Market Loss (Gain) ³	3.4	(18.7)	(19.4)	17.7	8.0
Consolidated LIFO to Plant LIFO Adjustment	(7.0)	0.6	3.8	(3.1)	2.8
Lower of Cost or Market Inventory Write-Down	2.6	4.9	-	-	-
Workers' Compensation Discount Rate Effect	0.2	(0.3)	-	(0.5)	1.0
Goodwill Impairment	-	-	18.4	-	-
Impairment Loss	0.1	2.8	0.8	1.4	1.4
Legacy Environmental	1.3	0.1	0.3	1.7	0.9
VEBA Net Periodic Benefit Cost (Income) ¹	2.4	-	-	0.1	0.1
Loss (Gain) on Removal of Union VEBA Net Assets ⁵	493.4	-	-	-	-
Total Operating NRR Items	496.4	(10.6)	3.9	17.3	14.2
Consolidated Operating Income before operating NRR	150.50	170.50	159.10	160.90	167.2
Depreciation & Amortization - Consolidated	32.4	36.0	39.7	43.9	47.8
Consolidated - Adjusted EBITDA	\$182.9	\$206.5	\$198.8	\$204.8	\$215.0

¹ 2016 and 2017 restated to reflect the retrospective adoption of ASU 2017-07

² NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

³ Mark-to-market loss (gain) on derivative instruments for 2018 and 2019 represents the reversal of mark-to-market loss (gain) on hedges entered into prior to the adoption of ASU 2017-12 and settled in 2018 and 2019. Operating income excluding non-run-rate items reflects the realized loss (gain) of such settlements.

⁴ LTM = Last Twelve Months, as of September 30, 2019

⁵ Includes effect of terminating the defined benefit accounting for the Union VEBA, and related accrual adjustments

Totals may not sum due to rounding

Adjusted Net Income and EPS - Quarterly

<i>(in \$ millions except EPS)</i>	Quarterly				
	<u>3Q18</u>	<u>4Q18</u>	<u>1Q19</u>	<u>2Q19</u>	<u>3Q19</u>
GAAP Net Income	\$ 21.7	\$ 23.6	\$ 28.0	\$ 19.2	\$ 25.4
Operating NRR ¹ Items	1.5	6.2	1.3	3.0	3.7
Non-Operating NRR Items ²	1.5	1.6	1.7	1.6	1.6
Tax impact of above NRR items	(0.8)	(1.7)	(0.7)	(1.1)	(1.5)
Adjusted Net Income	\$ 23.9	\$ 29.7	\$ 30.3	\$ 22.7	\$ 29.2
GAAP earnings per diluted share ³	\$ 1.29	\$ 1.41	\$ 1.71	\$ 1.18	\$ 1.57
Adjusted earnings per diluted share³	\$ 1.43	\$ 1.77	\$ 1.85	\$ 1.40	\$ 1.82

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

² Non-Operating NRR Items do not contribute to Reported Operating Income and represent the non-service-cost component of the net periodic benefit cost relating to the Salaried VEBA

³ Diluted shares for EPS calculated using treasury stock method

Totals may not sum due to rounding

Adjusted Net Income and EPS by Nine Months

(in \$ millions except EPS)

	Nine Months				
	2015	2016	2017	2018	2019
GAAP Net (Loss) Income	\$ (249.9)	\$ 67.2	\$ 60.6	\$ 68.1	\$ 72.6
Operating NRR ^{1,2} Items	500.3	(4.6)	8.6	11.1	8.0
Non-Operating NRR Items ^{2,3}	-	-	2.6	4.5	4.9
Tax impact of above NRR items	(185.6)	1.9	(4.3)	(4.1)	(3.3)
NRR tax benefit	(4.0)	-	-	-	-
Adjusted Net Income	\$ 60.8	\$ 64.5	\$ 67.5	\$ 79.6	\$ 82.2
GAAP (losses) earnings per diluted share ⁴	\$ (14.55)	\$ 3.70	\$ 3.49	\$ 4.03	\$ 4.47
Adjusted earnings per diluted share⁴	\$ 3.33	\$ 3.54	\$ 3.89	\$ 4.72	\$ 5.06

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

² 2016 and 2017 restated to reflect the retrospective adoption of ASU 2017-07

³ Non-Operating NRR Items do not contribute to Reported Operating Income and represent the non-service-cost component of the net periodic benefit cost relating to the Salaried VEBA

⁴ Diluted shares for EPS calculated using treasury stock method

Totals may not sum due to rounding

Adjusted Net Income and EPS - Annual

<i>(in \$ millions except EPS)</i>	Annual				
	2015	2016	2017	2018	LTM ⁵
GAAP Net (Loss) Income	\$ (236.6)	\$ 91.7	\$ 45.4	\$ 91.7	\$ 96.2
Operating NRR ^{1,2} Items	496.4	(10.6)	3.9	17.3	14.2
Non-Operating NRR Items ^{2,3}	-	3.3	4.5	6.1	6.5
Tax impact of above NRR items	(186.0)	2.7	(3.1)	(5.8)	(5.0)
NRR tax (benefit) charge	(2.2)	-	37.2	-	-
Adjusted Net Income	\$ 71.6	\$ 87.1	\$ 87.9	\$ 109.3	\$ 111.9
GAAP (losses) earnings per diluted share ⁴	\$ (13.76)	\$ 5.09	\$ 2.63	\$ 5.43	\$ 5.87
Adjusted earnings per diluted share⁴	\$ 3.95	\$ 4.83	\$ 5.09	\$ 6.48	\$ 6.84

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

² 2016 and 2017 restated to reflect the retrospective adoption of ASU 2017-07

³ Non-Operating NRR Items do not contribute to Reported Operating Income and represent the non-service-cost component of the net periodic benefit cost relating to the Salaried VEBA

⁴ Diluted shares for EPS calculated using treasury stock method

⁵ LTM = Last Twelve Months, as of September 30, 2019

Totals may not sum due to rounding

KAISEER
ALUMINUM

