



NEWS RELEASE

Metallus Announces First-Quarter 2026 Results

2026-05-04

- Net sales of \$308.3 million, up 10% compared to prior-year first quarter, and net income of \$5.4 million
- Adjusted EBITDA of \$24.6 million, an increase of 39% compared to prior-year first quarter
- Invested \$24.7 million in strategic capital expenditures and \$4.3 million to repurchase common shares
- Continued year-over-year growth in the order book underscores stronger demand
- First blooms successfully reheated and rolled on new bloom reheat furnace
- Cash and cash equivalents of \$104.0 million with total liquidity⁽¹⁾ of \$374.7 million as of March 31, 2026

CANTON, Ohio, May 4, 2026 /PRNewswire/ -- Metallus (NYSE: MTUS), a leader in high-quality specialty metals, manufactured components and supply chain solutions, today reported first-quarter 2026 net sales of \$308.3 million and net income of \$5.4 million, or \$0.13 per diluted share. On an adjusted basis⁽²⁾, the first-quarter 2026 net income was \$7.7 million, or \$0.18 per diluted share, and adjusted EBITDA was \$24.6 million.

This compares with the sequential fourth-quarter 2025 net sales of \$267.3 million and net loss of \$14.3 million, or a loss of \$0.34 per diluted share. On an adjusted basis⁽²⁾, the fourth-quarter 2025 net loss was \$7.7 million, or a loss of \$0.18 per diluted share, and adjusted EBITDA was \$2.4 million.

In the same quarter last year, the company had net sales of \$280.5 million and net income of \$1.3 million, or \$0.03 per diluted share. On an adjusted basis⁽²⁾, the first-quarter 2025 net income was \$2.9 million, or \$0.07 per diluted share, and adjusted EBITDA was \$17.7 million.

"In the first quarter, our teams executed against our operational priorities, delivering improved performance across the business. Our order book continued to grow year-over-year, supported by strengthening demand across all our end markets. We continued to invest in the next stages of operational excellence, resulting in higher melt utilization that improved both sequentially and year over year in the first quarter. In addition, we achieved an important milestone by successfully reheating and rolling the first blooms from our new bloom reheat furnace," said Michael Williams, chief executive officer. "Looking ahead, we continue to expect improved profitability in each quarter of 2026 compared with the prior year period, driven by a strong order book, a favorable product mix, and an

improving pricing environment."

FIRST-QUARTER 2026 FINANCIAL SUMMARY

- Net sales increased 15 percent to \$308.3 million, compared with \$267.3 million in the fourth quarter of 2025. The increase was driven primarily by higher shipments across all end-markets, higher raw material surcharge revenue per ton and an increase in average base sales⁽²⁾ prices. Compared with the prior-year first quarter, net sales increased 10 percent, driven primarily by higher shipments across the majority of end-markets and increased raw material surcharge revenue per ton.
- Ship tons increased 15,800 tons sequentially, or 11 percent, to 163,800 tons driven primarily by higher shipments across all end-markets. Compared with the prior-year first quarter, shipments increased 7 percent, driven by higher shipments across all end-markets except energy.
- Manufacturing performance improved sequentially, primarily reflecting improved fixed-cost leverage associated with higher production volumes and lower costs from not having a significant planned annual maintenance shutdown during the period. Melt utilization improved to 72 percent in the first quarter, up from 66 percent in the fourth quarter and 65 percent in the same quarter last year.

CASH, LIQUIDITY AND REPURCHASE ACTIVITY

As of March 31, 2026, the company's cash and cash equivalents balance was \$104.0 million. In the first quarter, operating cash flow was an outflow of \$26.9 million, primarily due to higher working capital requirements to support ramping business needs and the timing of pension contributions as approximately two thirds of our expected 2026 pension contributions occurred in the first quarter. Capital expenditures totaled \$24.7 million in the first quarter, including \$18.3 million for projects primarily funded by the U.S. government. Total liquidity⁽¹⁾ was \$374.7 million as of March 31, 2026.

Additionally, during the first quarter, the company repurchased 0.3 million common shares at an aggregate cost of \$4.3 million. As of March 31, 2026, the company had \$85.4 million remaining under its authorized share repurchase program.

During the first quarter, the company received \$4.9 million from the U.S. Army as part of the previously announced \$99.75 million capacity expansion funding agreement in support of the U.S. Army's mission of ramping up munitions production. The company also received \$1.0 million during the first quarter from JobsOhio as part of the previously announced \$3.5 million grant. To date, the company has received \$91.5 million of government funding related to the capacity expansion project.

OUTLOOK

Given the elements outlined in the outlook below, the company expects second-quarter adjusted EBITDA to be modestly higher than the first quarter of 2026 and the second quarter of 2025.

Commercial:

- Second-quarter shipments are expected to increase modestly on a sequential basis, in the low single digits on a percentage basis, supported by continued strength in the order book and normal seasonality.
- Lead times for bar and tube products currently extend into late third quarter.
- Based on lead times and product mix, second quarter price and mix are expected to be similar to the first quarter, with improvement anticipated in the second half of 2026.
- The company recently implemented spot price increases on both bar and seamless mechanical tubing products not covered by an annual pricing agreement. These price increases take effect at various dates throughout the second half of 2026, dependent on product type.

Operations:

- The company anticipates a sequential increase in its second quarter average melt utilization rate, supported by strength in the order book.
- Manufacturing costs are expected to improve sequentially by approximately \$2 million in the second quarter as a result of higher melt utilization, resulting in improved cost absorption, net of the run rate cost increase related to the ratified union contract.

Other matters:

- Planned capital expenditures remain at approximately \$70 million in 2026, inclusive of \$35 million of capital expenditures partially funded by the U.S. government. In April, the company received \$9.5 million of government funding. Additional government funding of approximately \$2 million is expected to be received in 2026 to complete the government funding arrangements, contingent on the achievement of the final mutually agreed milestone.
- Required pension contributions were approximately \$5 million in April with an estimated additional \$5 million of required pension contributions in the second half of 2026.
- An adjusted effective income tax rate⁽³⁾ between 27 and 30 percent is expected for the full year 2026.

(1) The company defines total liquidity as available borrowing capacity plus cash and cash equivalents.

(2) Please see discussion of non-GAAP financial measures in this news release.

(3) The company defines the adjusted effective income tax rate as adjusted income tax expense (benefit) divided by adjusted pre-tax (loss) income.

METALLUS EARNINGS WEBCAST INFORMATION

Metallus will provide live Internet listening access to its conference call with the financial community scheduled for Tuesday, May 5, 2026, at 9:00 a.m. ET. The live conference call will be broadcast at investors.metallus.com. A replay of the conference call will also be available at investors.metallus.com.

ABOUT METALLUS INC.

Metallus (NYSE: MTUS) manufactures high-performance specialty metals from recycled scrap metal in Canton, OH, serving demanding applications in industrial, automotive, aerospace & defense and energy end-markets. The company is a premier U.S. producer of alloy steel bars (up to 16 inches in diameter), seamless mechanical tubing and manufactured components. In the business of making high-quality steel for more than 100 years, Metallus' proven expertise contributes to the performance of our customers' products. The company employs approximately 1,890 people and had sales of \$1.2 billion in 2025. For more information, please visit us at www.metallus.com.

NON-GAAP FINANCIAL MEASURES

Metallus reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP") and corresponding metrics as non-GAAP financial measures. This earnings release includes references to the following non-GAAP financial measures: adjusted earnings (loss) per share, adjusted net income (loss), EBITDA, adjusted EBITDA, free cash flow, base sales, and other adjusted items. These are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting these non-GAAP financial measures is useful to investors as these measures are representative of the company's performance and provide improved comparability of results. See the attached schedules for definitions of the non-GAAP financial measures referred to above and corresponding reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures. Non-GAAP financial measures should be viewed as additions to, and not as alternatives for, Metallus' results prepared in accordance with GAAP. In addition, the non-GAAP measures Metallus uses may differ from non-GAAP measures used by other companies, and other companies may not define the non-GAAP measures Metallus uses in the same way.

FORWARD-LOOKING STATEMENTS

This news release includes "forward-looking" statements within the meaning of the federal securities laws. You can generally identify the company's forward-looking statements by words such as "will," "anticipate," "aspire," "believe," "could," "estimate," "expect," "forecast," "outlook," "intend," "may," "plan," "possible," "potential," "predict," "project," "seek," "target," "should," "would," "strategy," or "strategic direction" or other similar words, phrases or expressions that convey the uncertainty of future events or outcomes. The company cautions readers that actual results may differ materially from those expressed or implied in forward-looking statements made by or on behalf of the company due to a variety of factors, such as: (1) the effects of fluctuations in customer demand on sales, product mix and prices in the industries in which the company operates, including the ability of the company to respond to rapid changes in customer demand including but not limited to changes in domestic and worldwide political and economic conditions due to, among other factors, U.S. and foreign trade policies and the impact on economic conditions, changes in customer operating schedules due to supply chain constraints or unplanned work stoppages, the ability of customers to obtain financing to purchase the company's products or equipment that contains its products, the effects of customer bankruptcies or liquidations, the impact of changes in industrial business cycles, and whether conditions of fair trade exist in U.S. markets; (2) changes in operating costs, including the effect of changes in the company's manufacturing processes, changes in costs associated with varying levels of

operations and manufacturing capacity, availability of raw materials and energy, the company's ability to mitigate the impact of fluctuations in raw materials and energy costs and the effectiveness of its surcharge mechanism, changes in the expected costs associated with product warranty claims, changes resulting from inventory management, cost reduction initiatives and different levels of customer demands, the effects of unplanned work stoppages, availability of skilled labor and changes in the cost of labor and benefits; (3) the success of the company's operating plans, announced programs, initiatives and capital investments, the consistency to meet demand levels following unplanned downtime, and the company's ability to maintain appropriate relations with the union that represents its associates in certain locations in order to avoid disruptions of business; (4) whether the company is able to successfully implement actions designed to improve profitability on anticipated terms and timetables and whether the company is able to fully realize the expected benefits of such actions; (5) the company's pension obligations and investment performance; (6) with respect to the company's ability to achieve its sustainability goals, including its 2030 environmental goals, the ability to meet such goals within the expected timeframe, changes in laws, regulations, prevailing standards or public policy, the alignment of the scientific community on measurement and reporting approaches, the complexity of commodity supply chains and the evolution of and adoption of new technology, including traceability practices, tools and processes; (7) availability of property insurance coverage at commercially reasonable rates or insufficient insurance coverage to cover claims or damages; (8) the availability of financing and interest rates, which affect the company's cost of funds and/or ability to raise capital; (9) the impacts from any repurchases of our common shares, including the timing and amount of any repurchases; (10) competitive factors, including changes in market penetration, increasing price competition by existing or new foreign and domestic competitors, the introduction of new products by existing and new competitors, and new technology that may impact the way the company's products are sold or distributed; (11) deterioration in global economic conditions, or in economic conditions in any of the geographic regions in which the company conducts business, including additional adverse effects from global economic slowdown, terrorism or hostilities, including political risks associated with the potential instability of governments and legal systems in countries in which the company or its customers conduct business, and changes in currency valuations; (12) the impact of global conflicts on the economy, sourcing of raw materials, and commodity prices; (13) climate-related risks, including environmental and severe weather caused by climate changes, and legislative and regulatory initiatives addressing global climate change or other environmental concerns; (14) unanticipated litigation, claims or assessments, including claims or problems related to intellectual property, product liability or warranty, employment matters, regulatory compliance and environmental issues and taxes, among other matters; (15) cyber-related risks, including information technology system failures, interruptions and security breaches; (16) the potential impact of pandemics, epidemics, widespread illness or other health issues; and (17) with respect to the equipment investments to support the U.S. Army's mission of ramping up munitions production in the coming years, whether the funding awarded to support these investments is received on the anticipated timetable, whether the company is able to successfully complete the installation and commissioning of the new assets on the targeted budget and timetable, and whether the anticipated increase in throughput is achieved. Further, this news release represents our current policy and intent and is not intended to create legal rights or obligations. Certain standards of measurement and performance contained in this news release are developing and based on assumptions, and no assurance can be given that any plan, objective, initiative, projection, goal, mission, commitment, expectation or

prospect set forth in this news release can or will be achieved. Inclusion of information in this news release is not an indication that the subject or information is material to our business or operating results.

Additional risks relating to the company's business, the industries in which the company operates, or the company's common shares may be described from time to time in the company's filings with the SEC. All of these risk factors are difficult to predict, are subject to material uncertainties that may affect actual results and may be beyond the company's control. Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the above list should not be considered to be a complete list. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data) (Unaudited)	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 308.3	\$ 280.5
Cost of products sold	283.2	258.6
Gross Profit	25.1	21.9
Selling, general & administrative expenses (SG&A)	22.2	24.3
Loss (gain) on sale or disposal of assets, net	0.2	(1.5)
Other (income) expense, net	(4.9)	(2.3)
Interest (income) expense, net	(0.4)	(1.5)
Income (Loss) Before Income Taxes	8.0	2.9
Provision (benefit) for income taxes	2.6	1.6
Net Income (Loss)	\$ 5.4	\$ 1.3
Net Income (Loss) per Common Share:		
Basic earnings (loss) per share	\$ 0.13	\$ 0.03
Diluted earnings (loss) per share ^(1, 2)	\$ 0.13	\$ 0.03
Weighted average shares outstanding - basic	41.7	42.1
Weighted average shares outstanding - diluted ^(1, 2)	43.2	43.0

⁽¹⁾ For the three months ended March 31, 2026, common share equivalents for shares issuable for equity-based awards (1.5 million shares) were included in the computation of diluted earnings (loss) per share, as they were considered dilutive.

⁽²⁾ For the three months ended March 31, 2025, common share equivalents for shares issuable for equity-based awards (0.9 million shares) were included in the computation of diluted earnings (loss) per share, as they were considered dilutive. Common share equivalents for shares issuable upon the conversion of outstanding convertible notes were excluded in the computation of diluted earnings (loss) per share for the three months ended March 31, 2025 as these shares would be anti-dilutive.

CONSOLIDATED BALANCE SHEETS

March 31.

December 31.

(Dollars in millions) (Unaudited)	2026	2025
ASSETS		
Cash and cash equivalents	\$ 104.0	\$ 156.7
Accounts receivable, net of allowances	147.4	126.0
Inventories, net	279.6	243.2
Deferred charges and prepaid expenses	19.8	26.4
Other current assets	1.3	0.9
Total Current Assets	552.1	553.2
Property, plant and equipment, net	561.3	562.5
Operating lease right-of-use assets	10.1	11.4
Finance lease right-of-use assets	3.5	3.5
Pension assets	7.3	5.6
Intangible assets, net	2.8	2.9
Other non-current assets	1.1	1.1
Total Assets	\$ 1,138.2	\$ 1,140.2
LIABILITIES		
Accounts payable	\$ 175.3	\$ 151.1
Salaries, wages and benefits	19.2	29.0
Accrued pension and postretirement costs	12.1	26.8
Current operating lease liabilities	3.7	4.0
Current finance lease liabilities	0.8	0.8
Government funding liabilities	91.5	85.6
Other current liabilities	16.4	17.6
Total Current Liabilities	319.0	314.9
Credit agreement	—	—
Non-current operating lease liabilities	6.7	7.3
Non-current finance lease liabilities	2.0	2.8
Accrued pension and postretirement costs	98.9	100.2
Deferred income taxes	16.9	16.9
Other non-current liabilities	11.7	12.1
Total Liabilities	455.2	454.2
SHAREHOLDERS' EQUITY		
Additional paid-in capital	846.2	850.2
Retained deficit	(48.2)	(53.6)
Treasury shares	(115.7)	(116.0)
Accumulated other comprehensive income (loss)	0.7	5.4
Total Shareholders' Equity	683.0	686.0
Total Liabilities and Shareholders' Equity	\$ 1,138.2	\$ 1,140.2

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions) (Unaudited)	Three Months Ended March 31,	
	2026	2025
CASH PROVIDED (USED)		
Operating Activities		
Net income (loss)	\$ 5.4	\$ 1.3
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	13.7	13.7
Amortization of deferred financing fees	0.1	0.1
Loss (gain) on sale or disposal of assets, net	0.2	(1.5)
Stock-based compensation expense	3.3	3.4
Pension and postretirement expense (benefit), net	(2.3)	0.8
Changes in operating assets and liabilities:		
Accounts receivable, net	(21.4)	(34.8)
Inventories, net	(36.4)	(10.8)
Accounts payable	36.3	34.0
Other accrued expenses	(11.4)	2.9
Deferred charges and prepaid expenses	6.6	2.5
Pension and postretirement contributions and payments	(19.8)	(53.0)

Other, net	(1.2)	2.5
Net Cash Provided (Used) by Operating Activities	(26.9)	(38.9)
Investing Activities		
Capital expenditures	(24.7)	(27.5)
Proceeds from government funding	5.9	12.9
Proceeds from disposals of property, plant and equipment	—	1.7
Net Cash Provided (Used) by Investing Activities	(18.8)	(12.9)
Financing Activities		
Purchase of treasury shares	(4.3)	(5.6)
Proceeds from exercise of stock options	0.3	—
Shares surrendered for employee taxes on stock compensation	(3.0)	(2.6)
Principal payments under finance lease obligations	—	—
Net Cash Provided (Used) by Financing Activities	(7.0)	(8.2)
Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	(52.7)	(60.0)
Cash, cash equivalents, and restricted cash at beginning of period	157.5	241.9
Cash, Cash Equivalents, and Restricted Cash at End of Period	\$ 104.8	\$ 181.9

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows:

Cash and cash equivalents	\$ 104.0	\$ 180.3
Restricted cash reported in other current assets	0.8	1.6
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statements of Cash Flows	\$ 104.8	\$ 181.9

Reconciliation of Free Cash Flow to GAAP Net Cash Provided (Used) by Operating Activities:

This reconciliation is provided as additional relevant information about the company's financial position. Free cash flow is an important financial measure used in the management of the business. Management believes that free cash flow is useful to investors because it is a meaningful indicator of cash generated from operating activities available for the execution of its business strategy.

(Dollars in millions) (Unaudited)	Three Months Ended March 31,	
	2026	2025
Net Cash Provided (Used) by Operating Activities	\$ (26.9)	\$ (38.9)
Less: Capital expenditures less government-funded capital expenditures ⁽¹⁾	(6.4)	(13.6)
Less: MTUS portion of government-funded capital expenditures	(12.4)	—
Free Cash Flow	\$ (45.7)	\$ (52.5)

⁽¹⁾ On February 27, 2024, the company entered into an agreement for up to \$99.75 million in funding from the United States Army. In the three months ended March 31, 2026, funding proceeds of \$5.9 million were received and the related capital spending for the project of \$18.3 million is excluded. In the three months ended March 31, 2025, funding proceeds of \$12.9 million were received and the related capital spending for the project of \$13.9 million is excluded.

Reconciliation of Capital expenditures less government-funded capital expenditures to GAAP Capital expenditures:

This reconciliation is provided as additional relevant information about the company's capital expenditures. Capital expenditures less government-funded capital expenditures is an important financial measure used in the

management of the business. Management believes that capital expenditures less government-funded capital expenditures is useful to investors because it is a meaningful indicator of capital expenditures associated with the ordinary course of the company's business.

(Dollars in millions) (Unaudited)	Three Months Ended March 31,	
	2026	2025
Capital expenditures	\$ (24.7)	\$ (27.5)
Less: Government-funded capital expenditures	(18.3)	(13.9)
Capital expenditures less government-funded capital expenditures	\$ (6.4)	\$ (13.6)

Reconciliation of adjusted net income (loss)⁽²⁾ to GAAP net income (loss) and adjusted diluted earnings (loss) per share⁽²⁾ to GAAP diluted earnings (loss) per share for the three months ended March 31, 2026, March 31, 2025, and December 31, 2025:

Adjusted net income (loss) and adjusted diluted earnings (loss) per share are financial measures not required by or presented in accordance with GAAP. These Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, the financial measures prepared in accordance with GAAP, and a reconciliation of these financial measures to the most comparable GAAP financial measures is presented. Management believes this data provides investors with additional useful information on the underlying operations and trends of the business and enables period-to-period comparability of the company's financial performance.

(Dollars in millions) (Unaudited)	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025		Three Months Ended December 31, 2025	
	Net income (loss)	Diluted earnings (loss) per share ⁽¹⁾	Net income (loss)	Diluted earnings (loss) per share ⁽¹¹⁾	Net income (loss)	Diluted earnings (loss) per share ⁽¹²⁾
As reported	\$ 5.4	\$ 0.13	\$ 1.3	\$ 0.03	\$ (14.3)	\$ (0.34)
Adjustments: ⁽²⁾						
Loss (gain) on sale or disposal of assets, net	0.2	—	(1.5)	(0.03)	—	—
Loss (gain) from remeasurement of benefit plans, net	(2.5)	(0.06)	—	—	6.6	0.16
Sales and use tax refund	—	—	(0.8)	(0.02)	—	—
Business transformation costs ⁽³⁾	0.6	0.02	—	—	—	—
IT transformation costs ⁽⁴⁾	0.2	—	0.9	0.02	0.5	0.01
Manufacturing optimization costs ⁽⁵⁾	2.3	0.06	—	—	1.7	0.04
Rebranding costs ⁽⁶⁾	—	—	0.1	—	—	—
Salaried pension plan surplus asset distribution ⁽⁷⁾	—	—	3.6	0.08	—	—
USW one-time contract negotiation ⁽⁸⁾	2.2	0.05	—	—	—	—
Tax effect on above adjustments ⁽⁹⁾	(0.7)	(0.02)	(0.7)	(0.01)	(2.2)	(0.05)
As adjusted ⁽¹⁰⁾	\$ 7.7	\$ 0.18	\$ 2.9	\$ 0.07	\$ (7.7)	\$ (0.18)

- (1) For the three months ended March 31, 2026, common share equivalents for shares issuable for equity-based awards (1.5 million shares) were included in the computation of diluted earnings (loss) per share, as they were considered dilutive. The total diluted weighted average shares outstanding for the three months ended March 31, 2026 was 43.2 million shares.
- (2) Adjusted net income (loss) and adjusted diluted earnings (loss) per share are defined as net income (loss) and diluted earnings (loss) per share, respectively, excluding, as applicable, adjustments listed in the foregoing table.
- (3) Business transformation costs consist of professional service fees associated with the evaluation of certain strategic opportunities, with a focus on targeted growth to diversify the company's end market and product portfolio through acquisitions.
- (4) The company is undergoing a multi-year IT transformation initiative intended to streamline and modernize legacy IT systems while also reducing operating costs, increasing information security and positioning us to take advantage of market opportunities. IT transformation costs were primarily related to professional service fees not eligible for capitalization and are primarily related to project planning and third-party implementation services.
- (5) Manufacturing optimization costs consist of third-party professional fees related to process optimization efforts and improving manufacturing efficiency within targeted facilities.
- (6) Rebranding costs consist primarily of professional service fees associated with the company's name change to Metallus Inc., announced during the first quarter of 2024.
- (7) Following the completion of the salaried pension plan annuitization in May 2024, there were surplus assets which were used to make a one-time 401(k) contribution to eligible employees. As a result, the Company recognized a loss of \$3.6 million when the remaining assets were distributed.
- (8) The United Steelworkers ("USW") ratified a new four-year labor agreement with Metallus on February 5, 2026. A one-time payment in the total amount of \$1.9 million was made in the first quarter of 2026 to union employees, in accordance with the terms of the agreement, along with \$0.3 million of one-time payments related to external parties assisting with achieving the new labor agreement.
- (9) Tax effect on above adjustments includes the tax impact related to the adjustments shown above. Refer to the adjusted effective tax rate reconciliation table.
- (10) Adjusted net income (loss), adjusted diluted earnings (loss) per share, and the related tax effect has been revised to include amortization of cloud computing software costs.
- (11) For the three months ended March 31, 2025, common share equivalents for shares issuable for equity-based awards (0.9 million shares) were included in the computation of diluted earnings (loss) per share, as they were considered dilutive. Common share equivalents for shares issuable upon the conversion of outstanding convertible notes were excluded in the computation of diluted earnings (loss) per share for the three months ended March 31, 2025 as these shares would be anti-dilutive. The total diluted weighted average shares outstanding for the three months ended March 31, 2025 was 43.0 million shares.
- (12) For the three months ended December 31, 2025, common share equivalents for shares issuable for equity-based awards and common share equivalents for shares issuable upon the conversion of outstanding convertible notes were excluded from the computation of diluted earnings (loss) per share, because the effect of their inclusion would have been anti-dilutive. The total diluted weighted average shares outstanding for the three months ended December 31, 2025 was 41.7 million shares.

Reconciliation of adjusted effective tax rate to GAAP effective tax rate for the three months ended March 31, 2026, March 31, 2025, and December 31, 2025:

This reconciliation is provided as additional relevant information between the company's GAAP effective tax rate and the adjusted effective tax rate. These Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, the financial measures prepared in accordance with GAAP, and a reconciliation of these financial measures to the most comparable GAAP financial measures is presented. Management believes this data provides investors with additional useful information on the underlying operations and trends of the business and enables period-to-period comparability of the company's financial performance.

(Dollars in millions) (Unaudited)	Three months ended March 31, 2026			Three months ended March 31, 2025			Three months ended December 31, 2025		
	Pre-tax (loss) income	Income tax expense (benefit)	Effective tax rate	Pre-tax (loss) income	Income tax expense (benefit)	Effective tax rate	Pre-tax (loss) income	Income tax expense (benefit)	Effective tax rate
As reported	\$ 8.0	\$ 2.6	32.5 %	\$ 2.9	\$ 1.6	55.3 %	\$ (20.5)	\$ (6.2)	30.2 %
Non-GAAP Adjustments	3.0	0.7		2.3	0.7		8.8	2.2	
As adjusted ⁽¹⁾	\$ 11.0	\$ 3.3	30.0 %	\$ 5.2	\$ 2.3	44.2 %	\$ (11.7)	\$ (4.0)	34.2 %

(1) Refer to adjusted net income and earnings per share reconciliation for details.

Reconciliation of Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)⁽³⁾ and Adjusted EBITDA⁽¹⁰⁾ to GAAP Net Income (Loss):

This reconciliation is provided as additional relevant information about the company's performance. EBITDA and Adjusted EBITDA are important financial measures used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBITDA and Adjusted EBITDA is useful to investors as these measures are representative of the company's performance. Management also believes that it is appropriate to compare GAAP net income (loss) to EBITDA and Adjusted EBITDA.

(Dollars in millions) (Unaudited)	Three Months Ended March 31,		Three Months Ended December 31,	
	2026	2025	2025	
Net income (loss)	\$ 5.4	\$ 1.3	\$	(14.3)
Net Income Margin ⁽¹⁾	1.8 %	0.5 %		(5.3) %
Provision (benefit) for income taxes	2.6	1.6		(6.2)
Interest (income) expense, net	(0.4)	(1.5)		(0.7)
Depreciation and amortization	13.7	13.7		14.5
Amortization of cloud-computing costs ⁽²⁾	0.3	0.3		0.3
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽³⁾	\$ 21.6	\$ 15.4	\$	(6.4)
EBITDA Margin ⁽³⁾	7.0 %	5.5 %		(2.4) %
Adjustments:				
(Gain) loss from remeasurement of benefit plans	(2.5)	—		6.6
Sales and use tax refund	—	(0.8)		—
Business transformation costs ⁽⁴⁾	0.6	—		—
IT transformation costs ⁽⁵⁾	0.2	0.9		0.5
Manufacturing optimization costs ⁽⁶⁾	2.3	—		1.7
Rebranding costs ⁽⁷⁾	—	0.1		—
Salaried pension plan surplus asset distribution ⁽⁸⁾	—	3.6		—
USW one-time contract negotiation ⁽⁹⁾	2.2	—		—
(Gain) loss on sale or disposal of assets, net	0.2	(1.5)		—
Adjusted EBITDA ⁽¹⁰⁾	\$ 24.6	\$ 17.7	\$	2.4
Adjusted EBITDA Margin ⁽¹⁰⁾	8.0 %	6.3 %		0.9 %

(1) Net Income Margin is defined as net income (loss) as a percentage of net sales.

(2) Amortization of cloud computing software costs consists of expense recognized in Selling, General, and Administrative expense resulting from amortization of capitalized implementation costs for cloud computing IT systems. This expense is not included in depreciation and amortization.

(3) EBITDA is defined as net income (loss) before interest (income) expense, net, income taxes, depreciation and amortization, including cloud-computing costs. EBITDA Margin is EBITDA as a percentage of net sales.

(4) Business transformation costs consist of professional service fees associated with the evaluation of certain strategic opportunities, with a focus on targeted growth to diversify the company's end market and product portfolio through acquisitions.

(5) The company is undergoing a multi-year IT transformation initiative intended to streamline and modernize legacy IT systems while also reducing operating costs, increasing information security and positioning us to take advantage of market opportunities. IT transformation costs were primarily related to professional service fees not eligible for capitalization and are primarily related to project planning and third-party implementation services.

(6) Manufacturing optimization costs consist of third-party professional fees related to process optimization efforts and improving manufacturing efficiency within targeted facilities.

(7) Rebranding costs consist primarily of professional service fees associated with the company's name change to Metallus Inc., announced during the first quarter of 2024.

(8) Following the completion of the salaried pension plan annuitization in May 2024, there were surplus assets which were used to make a one-time 401(k) contribution to eligible employees. As a result, the company recognized a loss of \$3.6 million when the remaining assets were distributed.

(9) The United Steelworkers ("USW") ratified a new four-year labor agreement with Metallus on February 5, 2026. A one-time payment in the total amount of \$1.9 million was made in the first quarter of 2026 to union employees, in accordance with the terms of the agreement, along with \$0.3 million of one-time payments related to external parties assisting with achieving the new labor agreement.

(10) Adjusted EBITDA is defined as EBITDA excluding, as applicable, adjustments listed in the table above. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of net sales.

Reconciliation of Base Sales by end-market to GAAP Net Sales by end-market:

The tables below present net sales by end-market, adjusted to exclude surcharges, which represents a financial measure that has not been determined in accordance with GAAP. Management believes presenting net sales by end-market, both on a gross basis and on a per ton basis, adjusted to exclude raw material and energy surcharges, provides additional insight into key drivers of net sales such as base price and product mix. Due to the fact that the surcharge mechanism can introduce volatility to our net sales, net sales adjusted to exclude surcharges provides management and investors clarity of our core pricing and results. Presenting net sales by end-market, adjusted to exclude surcharges including on a per ton basis, allows management and investors to better analyze key market indicators and trends and allows for enhanced comparison between our end-markets.

When surcharges are included in a customer agreement and are applicable (i.e., reach the threshold amount), based on the terms outlined in the respective agreement, surcharges are then included as separate line items on a customer's invoice. These additional surcharge line items adjust base prices to match cost fluctuations due to market conditions. Each month, the company will post on the surcharges page of its external website, as well as our customer portal, the scrap, alloy, and energy surcharges that will be applied (as a separate line item) to invoices dated in the following month (based upon shipment volumes in the following month). All surcharges invoiced are included in GAAP net sales.

(Dollars in millions, ship tons in thousands)

	Three Months Ended March 31, 2026						Total
	Industrial	Automotive	Aerospace & Defense	Energy	Other		
Ship Tons	67.1	66.6	17.7	12.4	—	163.8	
Net Sales	\$ 112.3	\$ 112.7	\$ 51.9	\$ 26.7	\$ 4.7	\$ 308.3	
Less: Surcharges	31.4	23.2	8.4	7.0	—	70.0	
Base Sales	\$ 80.9	\$ 89.5	\$ 43.5	\$ 19.7	\$ 4.7	\$ 238.3	
Net Sales / Ton	\$ 1,674	\$ 1,692	\$ 2,932	\$ 2,153	\$ —	\$ 1,882	
Surcharges / Ton	\$ 468	\$ 348	\$ 475	\$ 565	\$ —	\$ 427	
Base Sales / Ton	\$ 1,206	\$ 1,344	\$ 2,457	\$ 1,588	\$ —	\$ 1,455	

Three Months Ended March 31, 2025								
	Industrial	Automotive	Aerospace & Defense	Energy	Other	Total		
Ship Tons	66.3	64.1	8.6	13.9	—	152.9		
Net Sales	\$ 101.7	\$ 113.2	\$ 32.5	\$ 28.7	\$ 4.4	\$ 280.5		
Less: Surcharges	26.6	21.6	3.4	6.7	—	58.3		
Base Sales	\$ 75.1	\$ 91.6	\$ 29.1	\$ 22.0	\$ 4.4	\$ 222.2		
Net Sales / Ton	\$ 1,534	\$ 1,766	\$ 3,779	\$ 2,065	\$ —	\$ 1,835		
Surcharges / Ton	\$ 401	\$ 337	\$ 395	\$ 482	\$ —	\$ 381		
Base Sales / Ton	\$ 1,133	\$ 1,429	\$ 3,384	\$ 1,583	\$ —	\$ 1,454		

Three Months Ended December 31, 2025								
	Industrial	Automotive	Aerospace & Defense	Energy	Other	Total		
Ship Tons	59.9	64.2	15.6	8.3	—	148.0		
Net Sales	\$ 95.3	\$ 110.4	\$ 39.6	\$ 18.3	\$ 3.7	\$ 267.3		
Less: Surcharges	24.1	20.8	5.3	4.4	—	54.6		
Base Sales	\$ 71.2	\$ 89.6	\$ 34.3	\$ 13.9	\$ 3.7	\$ 212.7		
Net Sales / Ton	\$ 1,591	\$ 1,720	\$ 2,538	\$ 2,205	\$ —	\$ 1,806		
Surcharges / Ton	\$ 402	\$ 324	\$ 340	\$ 530	\$ —	\$ 369		
Base Sales / Ton	\$ 1,189	\$ 1,396	\$ 2,198	\$ 1,675	\$ —	\$ 1,437		

Calculation of Total Liquidity⁽¹⁾:

This calculation is provided as additional relevant information about the company's financial position.

(Dollars in millions) (Unaudited)	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 104.0	\$ 156.7
Credit Agreement:		
Maximum availability	\$ 400.0	\$ 400.0
Suppressed availability ⁽²⁾	(124.0)	(162.2)
Availability	276.0	237.8
Credit facility amount borrowed	—	—
Letter of credit obligations	(5.3)	(5.3)
Availability not borrowed	\$ 270.7	\$ 232.5
Total Liquidity ⁽¹⁾	\$ 374.7	\$ 389.2

⁽¹⁾ Total Liquidity is defined as available borrowing capacity plus cash and cash equivalents.

⁽²⁾ As of March 31, 2026 and December 31, 2025, Metallus had less than \$400 million in collateral assets to borrow against.

ADJUSTED EBITDA⁽¹⁾ WALKS

2025 1Q

2025 4Q

(Dollars in millions) (Unaudited)	vs. 2026 1Q		vs. 2026 1Q	
Beginning Adjusted EBITDA ⁽¹⁾	\$	17.7	\$	2.4
Volume		4.5		7.2
Price/Mix		4.8		4.3
Raw Material Spread		1.0		2.7
Manufacturing		(3.9)		8.5
SG&A		0.7		0.5
Other		(0.2)		(1.0)
Ending Adjusted EBITDA ⁽¹⁾	\$	24.6	\$	24.6

⁽¹⁾ Please refer to the Reconciliation of Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA to GAAP Net Income (Loss).

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