TIMKEN STEEL

Investor Presentation

Mid-Atlantic Roadshow

February 9-13, 2015

Forward-looking statements and non-GAAP financial information

This presentation 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 “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “outlook,” “intend,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “target,” “could,” “may,” “should” or “would” 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: the company’s ability to realize the expected benefits of the spinoff; the costs associated with being an independent public company, which may be higher than anticipated; deterioration in world 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; 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, the effects of customer bankruptcies or liquidations, the impact of changes in industrial business cycles, and whether conditions of fair trade continue in U.S. markets; 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; 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, and changes in the cost of labor and benefits; the success of the company’s operating plans, announced programs, initiatives and capital investments (including the jumbo bloom vertical caster and advanced quench-and-temper facility), the ability to integrate acquired companies, the ability of acquired companies to achieve satisfactory operating results, including results being accretive to earnings, and the company’s ability to maintain appropriate relations with unions that represent its associates in certain locations in order to avoid disruptions of business; and changes in worldwide financial markets, including availability of financing and interest rates, which affect the company’s cost of funds and/or ability to raise capital, the company’s pension obligations and investment performance, and/or customer demand and the ability of customers to obtain financing to purchase the company’s products or equipment that contain its products, and the amount of any dividend declared by the company’s board of directors on its common shares. 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.

The unaudited pro forma consolidated financial data in this presentation is subject to assumptions and adjustments described in the company’s registration statement on Form 10. TimkenSteel Corporation’s (“TimkenSteel”) management believes these assumptions and adjustments are reasonable under the circumstances . The unaudited pro forma consolidated financial data does not purport to represent what TimkenSteel’s financial position and results of operations actually would have been had the spinoff occurred on the dates indicated, or to project TimkenSteel’s financial performance for any future period following the spinoff.

This presentation also includes certain non-GAAP financial measures as defined by SEC rules. Please see the discussion of non-GAAP financial measures and a reconciliation of those measures to the most directly comparable GAAP equivalent in the appendix.

Today's presenters



Ward J. "Tim" Timken, Jr.
Chairman, CEO and President



Chris Holding
Executive Vice President & Chief Financial Officer



Tina Beskid
Director, Investor Relations

TIMKEN STEEL

Business overview

Tim Timken

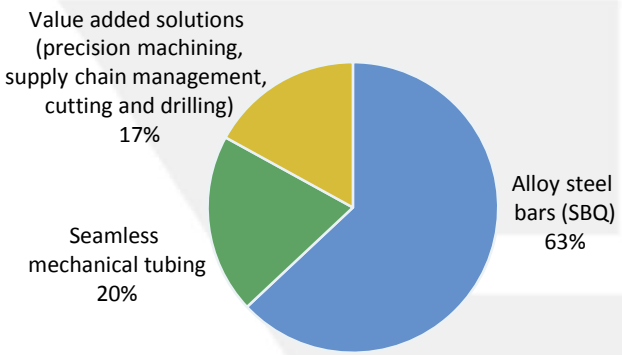
Chairman, CEO & President

TimkenSteel: At a glance

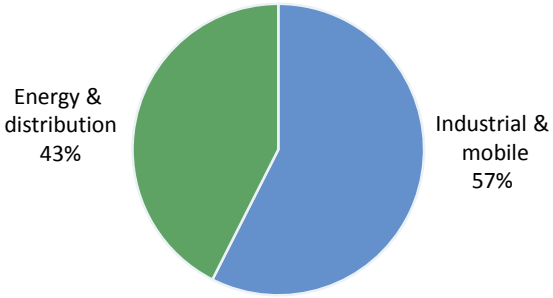
Key facts

- $1,674 million in 2014 sales
- $211 million in 2014 adjusted EBITDA[1]
- 2014 shipments: 1,094k tons
- Annual melt capacity of ~2 million tons
- Headquartered in Canton, Ohio
- ~3,000 employees

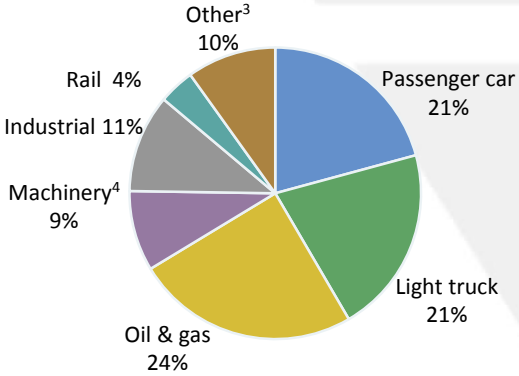
2014 sales split by product



2014 sales split by business segment



2014 sales split by end market[2]



Source: TimkenSteel

[1] See Appendix for Adjusted EBITDA reconciliation

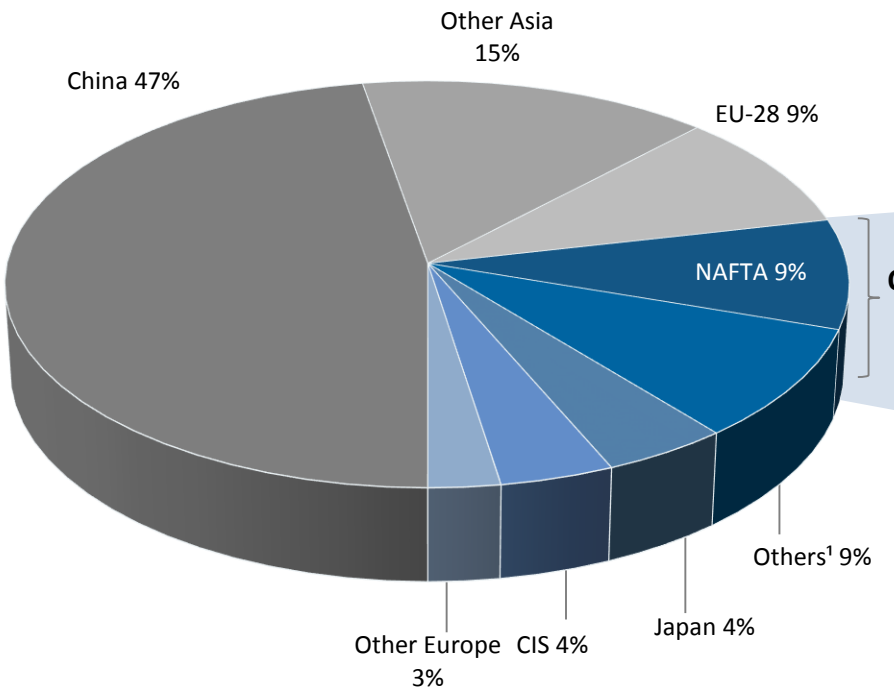
[2] Distribution sales were 24% of 2014 sales

[3] Other: ≤ 2% each of construction, mining, military/defense, heavy and medium truck, agriculture, metals recycling, power generation, marine and aerospace

[4] Machinery includes historic intercompany sales to Timken

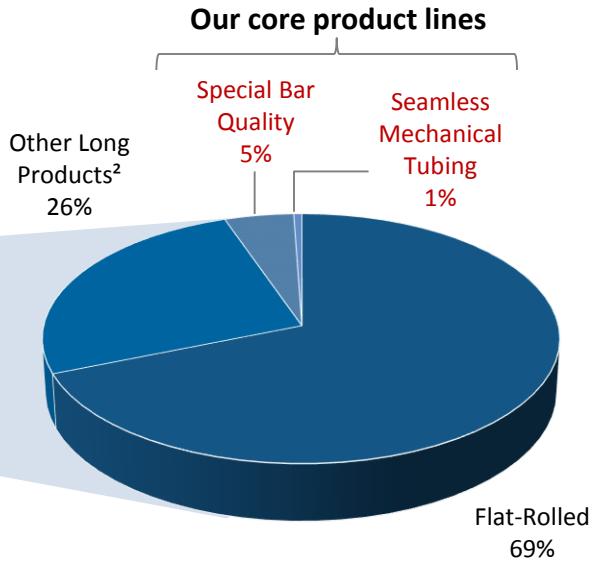
Focused in niche market sectors where we have competitive strength

Global finished steel products



World: 1,633 mm tons

USA finished steel products



USA: 107 mm tons

Source: World Steel Association; American Iron and Steel Institute

[1] Others: Middle East 3.2%, Central & South America 3.3%, Africa 2.0%, Australia & New Zealand 0.4%

[2] Other Long Products: Light Shapes, Reinforcing Bars, Merchant Bars, Wire, Pipe & Tubing

Emphasis on high-end value-added products

TimkenSteel Applications

Bearings
Fuel injectors
Gun barrels
Crankshafts
Tri-Cone bits
Percussion bits
Energy CRA
Production
CV joints
Gears

Non TimkenSteel Applications

Fasteners
Hand tools
Leaf springs
Shopping carts
Table legs
Reinforcing bar

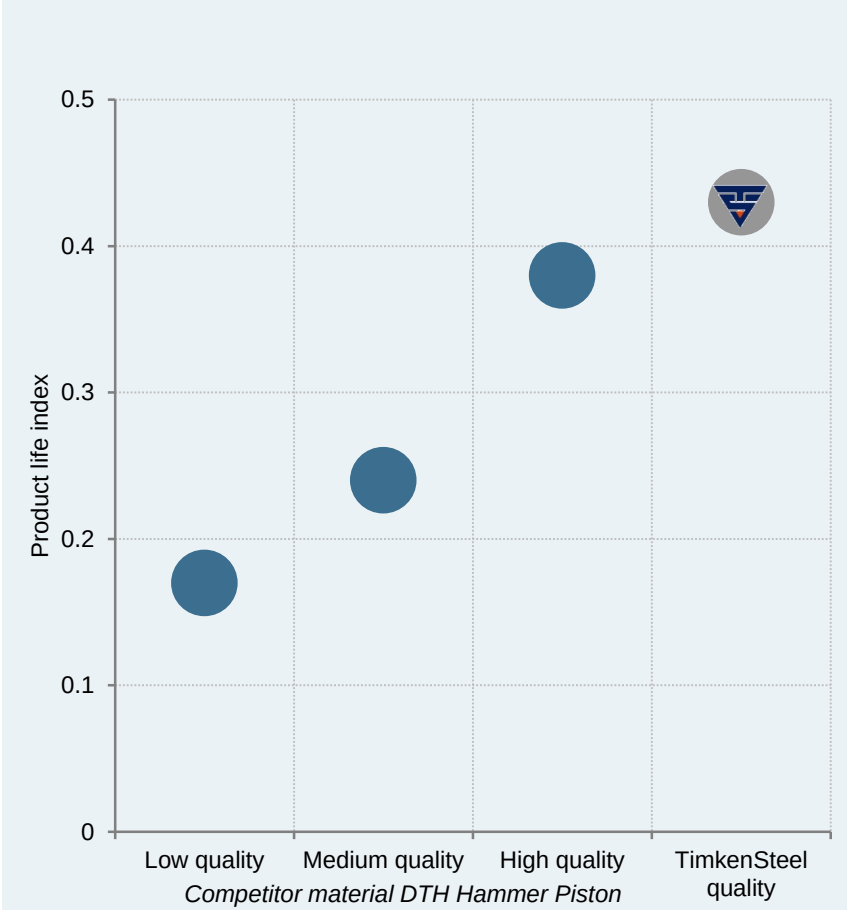




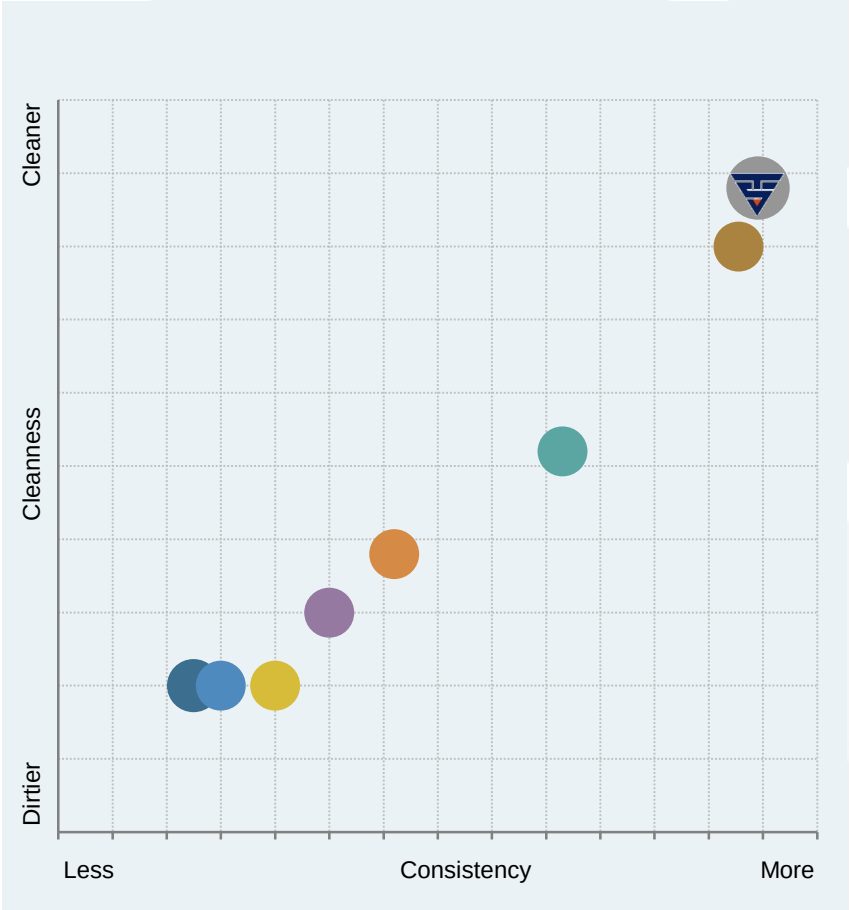


High-quality, reliable steel our customers value

Effect of steel cleanness on fatigue performance

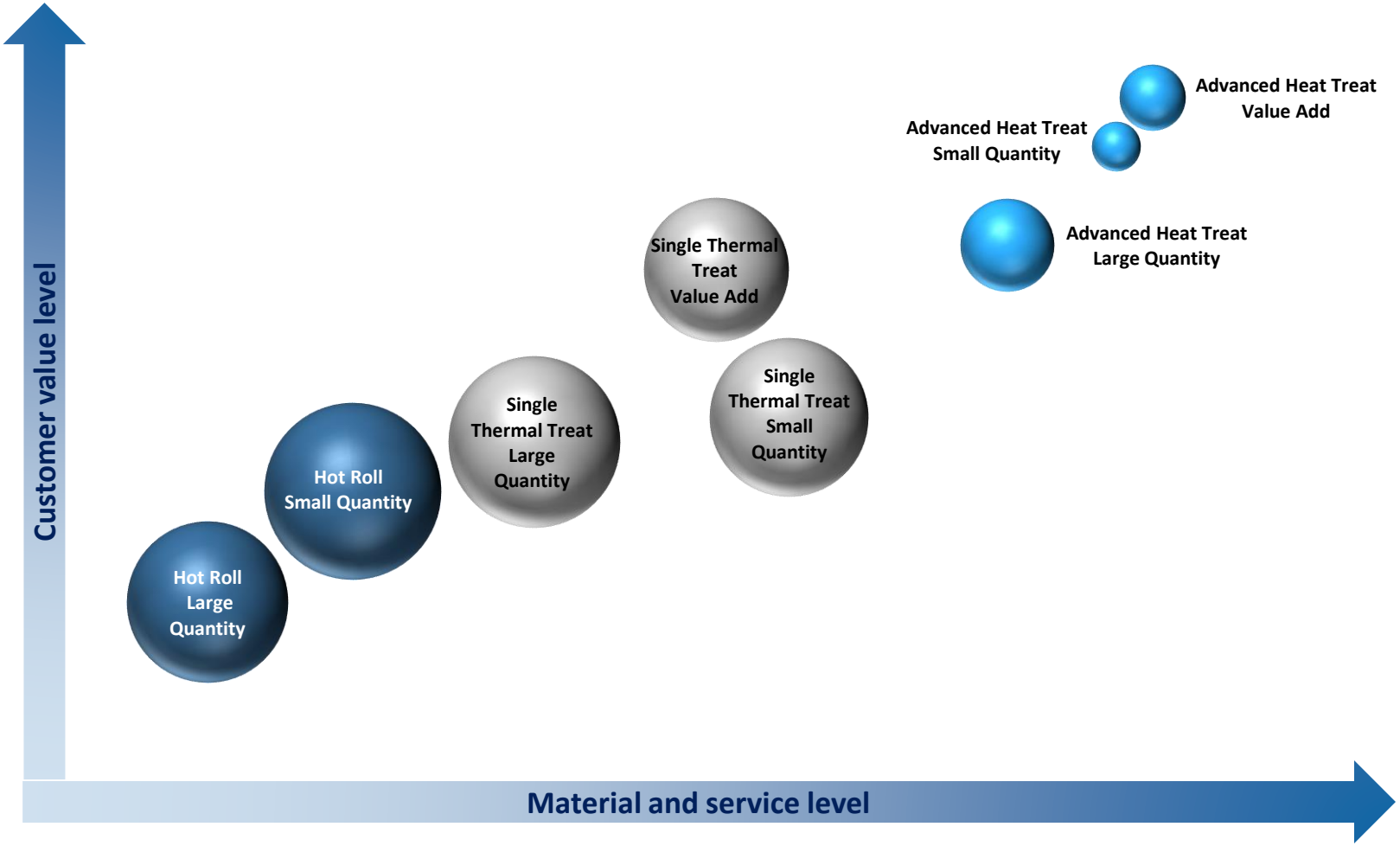


Cleanness and consistency



Source: TimkenSteel

Providing enhanced capabilities that customers value



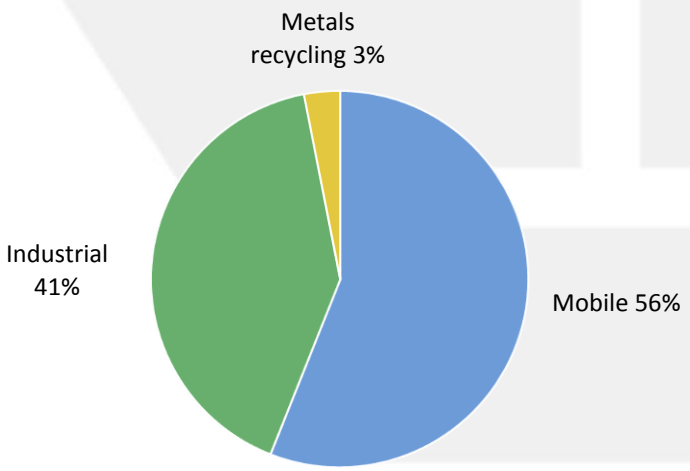
Source: TimkenSteel

Industrial & Mobile segment

Overview

- Mobile: Steel most often used in critical automotive applications where high performance is required
- Industrial: Steel used for a variety of industrial applications where performance is critical
  - Manufacturing flexibility allows production of many grades in small quantities
- Sales are ~90% contract and ~10% spot pricing
- Metals recycling: Full service scrap metal management company recycling ferrous and non-ferrous metals

2014 sales mix[1]



2014 sales: US$962mm

Key customers

HHI	Ford	Honda	Nissan	Ellwood National Crankshaft	Timken	CAT
Chrysler	GM	Nexteer	Toyota	General Dynamics	Brenco	AJAX

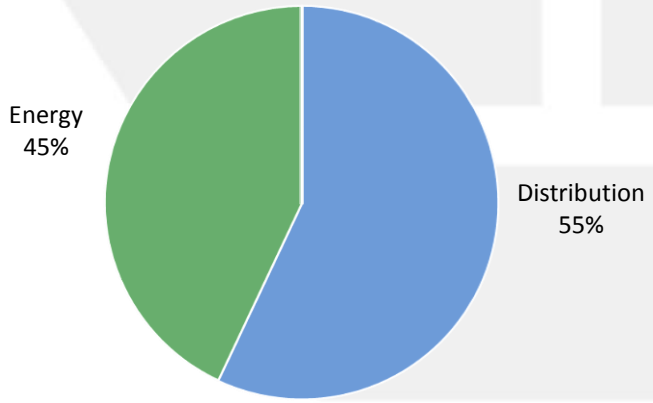
[1] Based on full year 2014 Steel segment sales

Energy & Distribution segment

Overview

- High-performance on- and off-shore drilling and completion applications
- Only known steel company combining high-performance alloy steel manufacturing, unique heat treatment and custom boring/finishing capabilities
- Authorized service centers are valued for delivering differentiated solutions to end users
- 50% contract and 50% spot pricing

2014 sales mix[1]



2014 sales: US$712mm

Key customers

AM Castle Metals

Energy Alloys

Reliance Steel & Aluminum

Ellwood Texas Forge

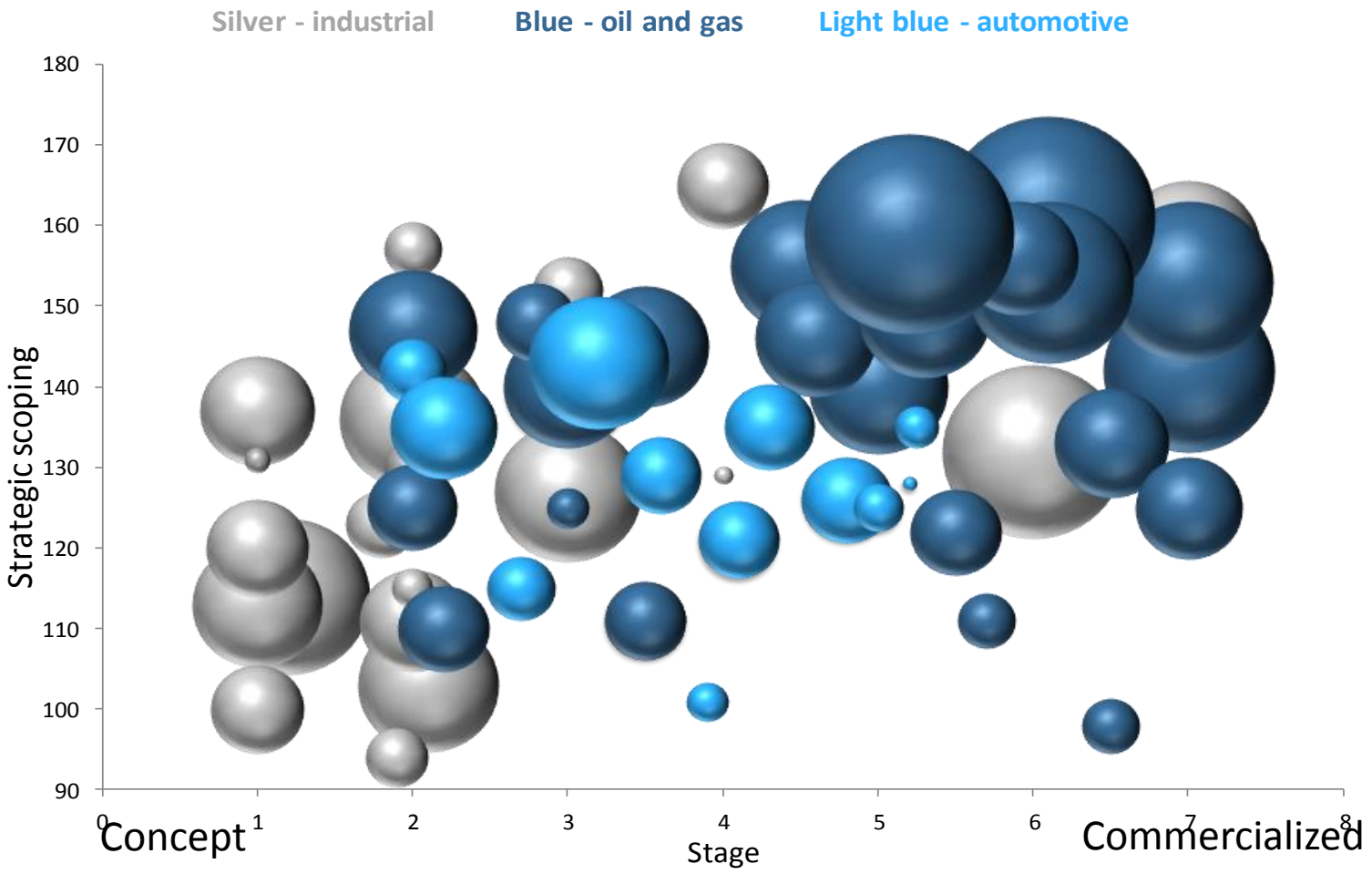
National Oilwell Varco - Grant Prideco

Marmon Group

[1] Based on full year 2014 Steel segment sales

TimkenSteel innovation pipeline

Pipeline



~65 active projects/programs worth ~$400m NPV

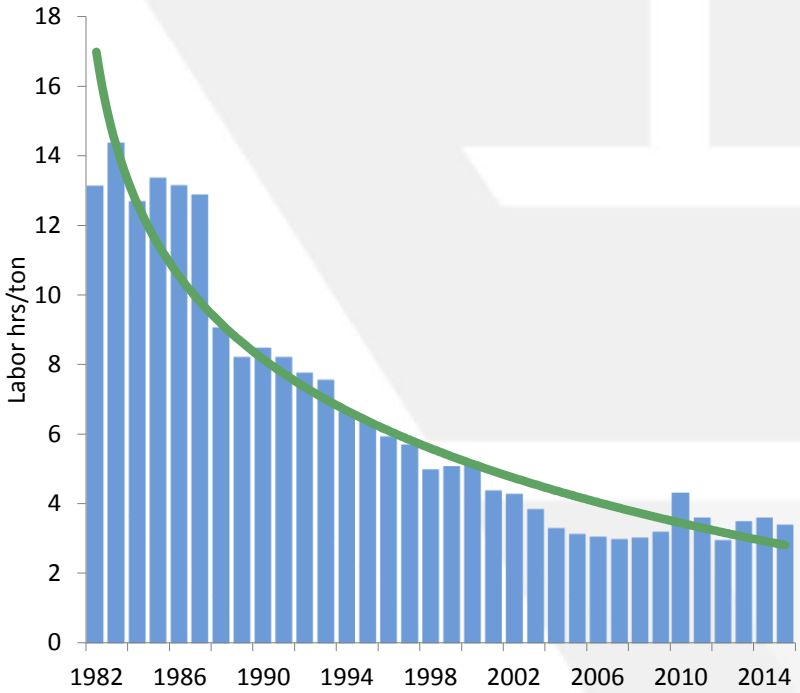
Source: TimkenSteel

Highly competitive cost structure

Competitive cost structure

- Lower cost Electric Arc Furnaces (EAF) mills
- Sophisticated raw material model
  - Scrap return supply chain established with many customers
- Raw material, alloy and natural gas price volatility largely passed on to customers through surcharge mechanisms
- Team driven by continuous improvement in processes and technology
- Low breakeven operating structure
- $50mm - $60mm spent annually on maintenance and continuous improvement capital expenditures

Labor Productivity



Source: TimkenSteel internal estimates as of 12/31/2014

Jumbo bloom vertical caster – the world's largest and most advanced

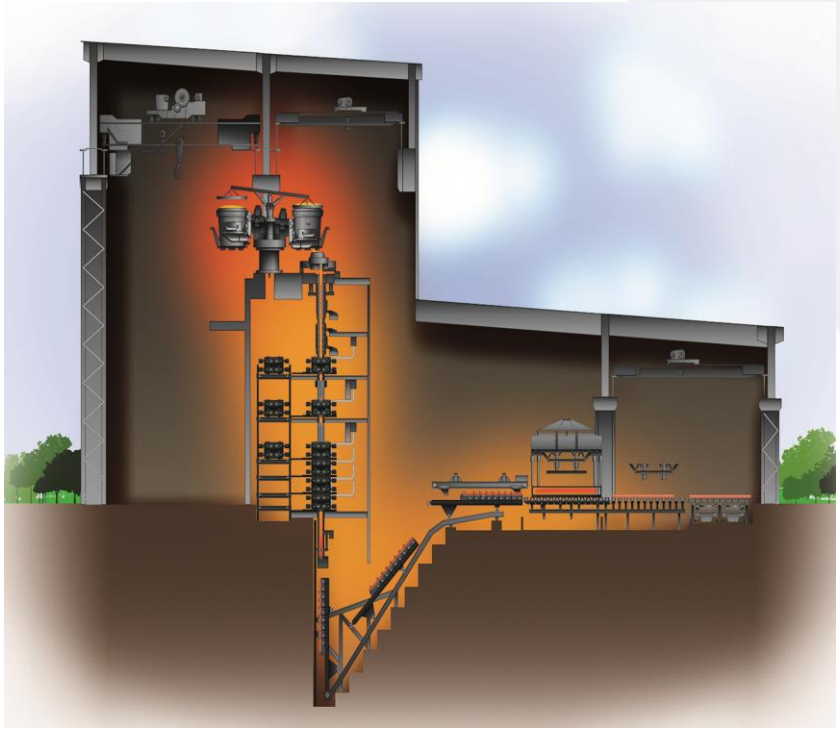
Jumbo bloom vertical caster

Project scope

- $200m investment commissioned in 4Q 2014
- 28 month project timeline
- > 20% IRR

Investment benefits

- 125k finished ton capacity add
- 10% yield improvement
- Flexible capacity in all markets
- Greater range of steel grades



Customer advantages

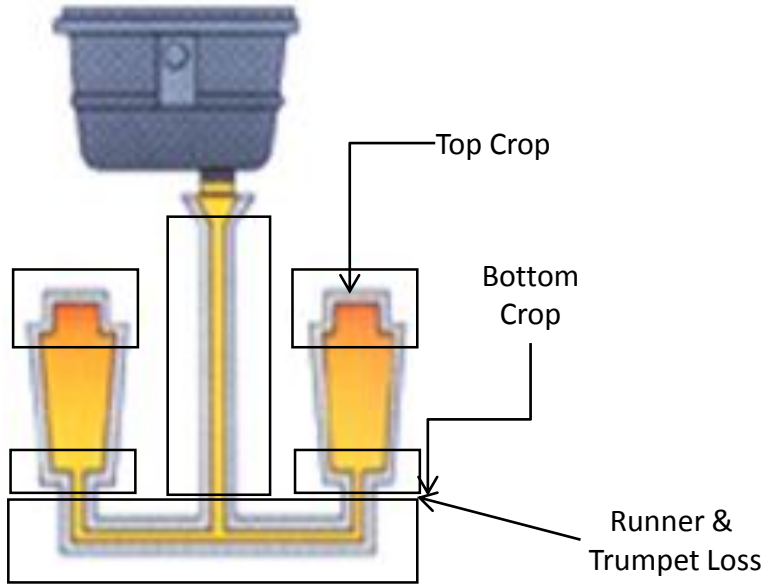
- More TimkenSteel capacity
- Steel cleanness
- Chemical uniformity
- Custom cut bloom lengths

Competitive advantages

- Proprietary tundish design
- TimkenSteel process knowledge incorporated into the caster design protected through confidentiality agreements.
- Broader capability to support higher value SBQ and seamless mechanical tube markets

Benefits of continuous cast – yield improvement and productivity

Bottom pour



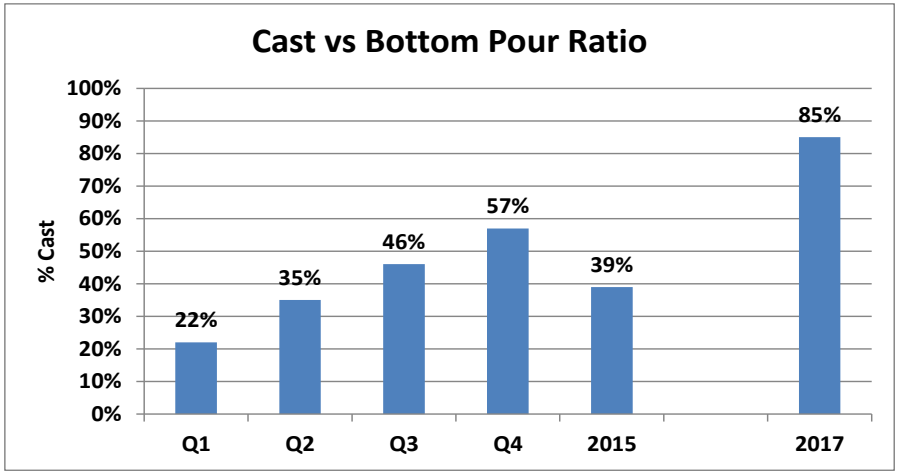
Liquid to bloom yield = ~85%

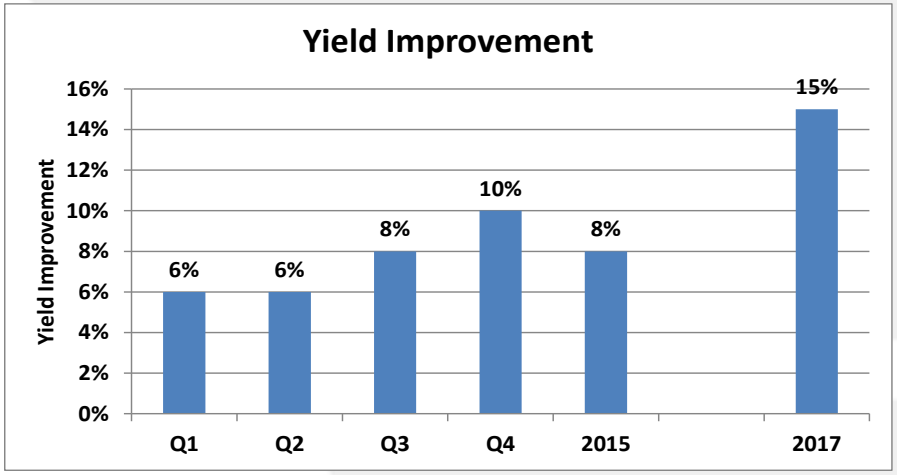
Continuous cast



Liquid to bloom yield = ~95%

Jumbo bloom vertical caster ramp-up plan





2015 Commentary

- Represents a normal and customary curve for the project; progressing on track.
- Will operate both bottom-pour and caster process paths at Faircrest Steel Plant.
  - Ramp curve is dependent upon pace of customer qualifications; which have been going well.
  - Expect $4 million to $6 million of duplicate labor and maintenance costs.
- Caster depreciation will be approximately $10 million.
- Expect yield savings of $10 million to $12 million to be offset by incremental depreciation and duplicate ramp costs.

Positive financial benefits to begin early to mid 2016

Source: TimkenSteel as of January 29, 2015

Strategy focused on selected high-end products and high-growth markets



Investing for growth and competitive strength

Advanced quench and temper facility

Market demand	• Increased drilling depths & footage - deeper, larger bore well designs • Strong market outlook • Increase in steel intensive horizontal and offshore drilling & completion
Investment	• $40m investment to be commissioned in 2016 • 50k tons quench temper capacity • Process 4”-13” bars & tubes
Benefits	• Improved technical capability • Expanding presence in high value completion products • Grow market share



TimkenSteel: A compelling investment

- A leading manufacturer of high-quality, **high-performance** engineered steel products and value-added services
- Industry leading customer service delivering **customized** engineering and **innovative** design solutions for the most demanding applications
- **Niche position** in attractive Energy, Industrial and Automotive end market sectors
- **Leading industry margins** driven by value-added products and **competitive operating cost structure**
- Strong capital structure with good liquidity position to **drive growth**

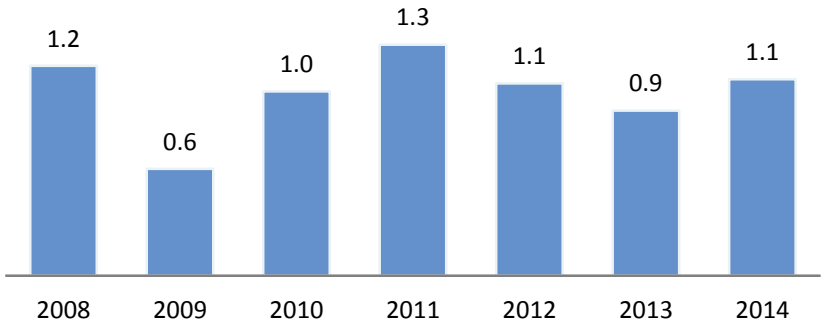
Financial performance review and guidance

Chris Holding

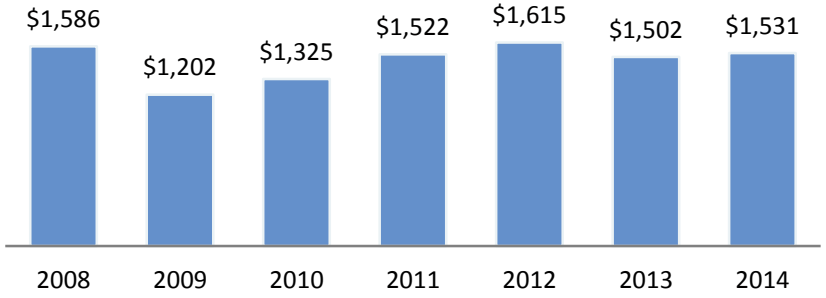
Executive Vice President and Chief Financial Officer

History of strong financial performance

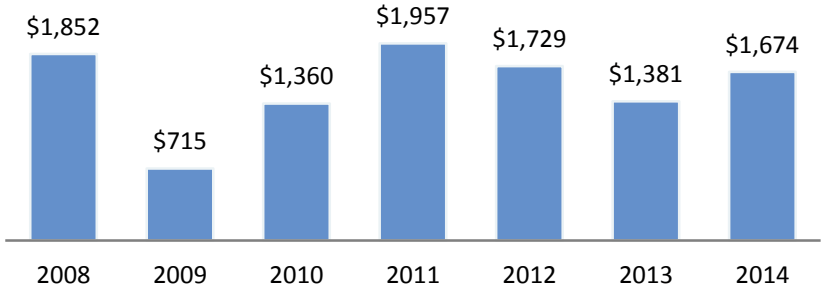
Shipments (mm tons)



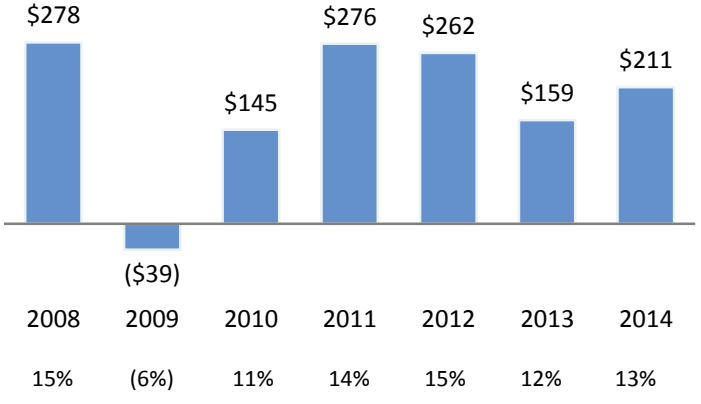
Average selling price ($ / ton)[1]



Net sales ($mm)[2]



Adjusted EBITDA ($mm)[3]



	2008	2009	2010	2011	2012	2013	2014
Adj. EBITDA margin	15%	(6%)	11%	14%	15%	12%	13%

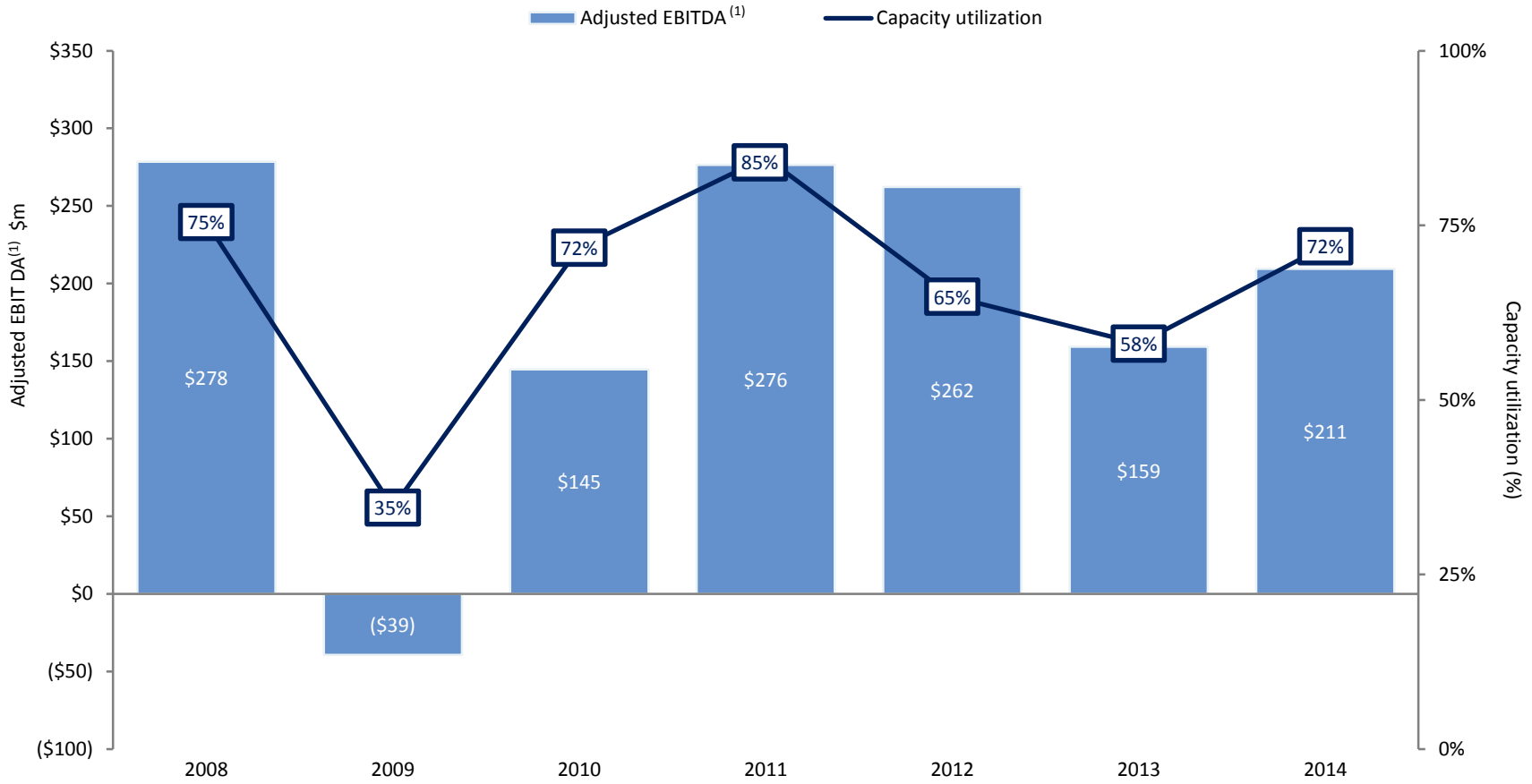
Source: TimkenSteel, The Timken Company

[1] Includes surcharges

[2] Net sales figures based on Steel segment sales and include intercompany sales

[3] Adjusted EBITDA based on Steel segment EBITDA, adjusted for previously unallocated corporate expenses and incremental standalone costs; see Appendix for reconciliation

Disciplined execution through the cycle



Adjusted EBITDA(1) Margin %	15.0%	(5.5%)	10.6%	14.1%	15.2%	11.5%	12.6%
EBITDA/Ton	$236	($66)	$141	$215	$245	$173	$193

(1) *Please see discussion of Non-GAAP Financial Measures in the appendix*

Strong capital structure with good liquidity position to drive growth

Pro forma 12/31/14 capital structure

($mm)	Amount	% of capitalization	Debt / Adj. EBITDA[1]
Cash and cash equivalents	$35	–	–
Debt			
$300mm revolver	155	16.6%	0.7x
Existing revenue bonds	30	3.2%	0.2x
Total debt	**$185**	**19.8%**	**0.9x**
Shareholder equity	749	80.2%	
Total capitalization	**$934**	**100.0%**	
Liquidity[2]	**$180**		

- ✓ **Strong liquidity position**
- ✓ **Positioned to provide capital for growth**
- ✓ **Conservative leverage**

Source: TimkenSteel

[1] LTM ending 12/31/2014 Adjusted EBITDA of $211mm

[2] Defined as cash & equivalents plus available lines of credit under the $300mm revolving credit facility; revolving credit agreement accordion feature for incremental $150mm

Focused capital allocation priorities

	Overview
Leverage	• Targeting investment grade financial/credit metrics of 1.5x - 2.0x Debt/EBITDA • Maintain leverage with cash generation used to grow and support the business
Organic investments	• Fund maintenance and operational excellence programs from operating cash flows • Growth investments that enhance margin improvements (i.e., Caster / Forge Press) • Targeted growth investment hurdle rate of approximately 20% IRR
Dividends	• Target dividend payout ratio of 20% - 30% • Expect to maintain dividend at current levels[1] • Three consecutive quarterly dividend payments of $0.14 per share
External investments	• Capital allocated to external investments based on best risk-adjusted return[1] • Share repurchases to offset dilution due to stock compensation • Evaluate additional share repurchases

[1]Subject to Board approval

Pension plan fully funded

Global Pension Plans & OPEB

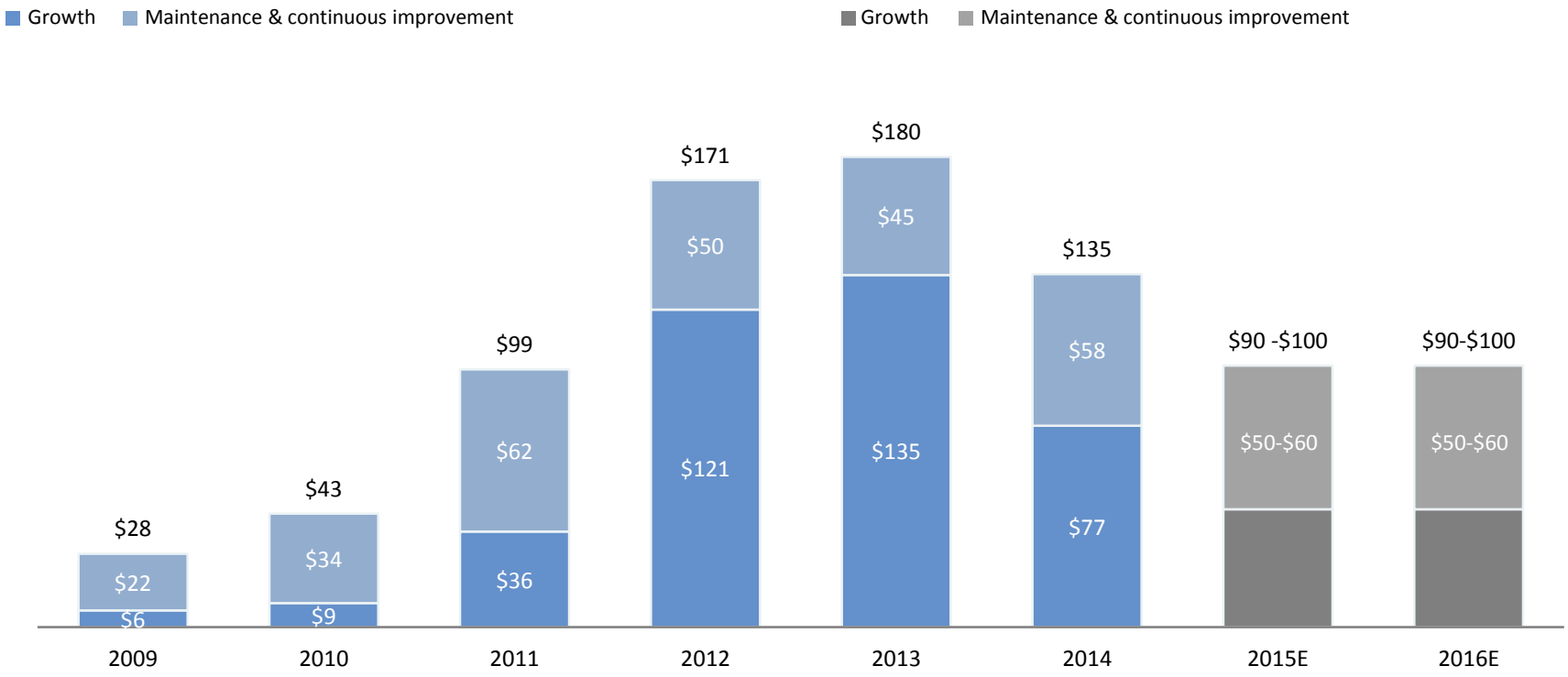
($m)	Qualified	Non-qualified	Total		OPEB
Liabilities	$1,228	$29	$1,257		$243
Assets	$1,229	$0	$1,229		$143
Funded %	100%	0%	98%		59%

No significant cash outflows in the near term

Source: TimkenSteel as of January 29, 2015

Investments that reinforce capabilities and grow market position

Capital expenditure ($m)



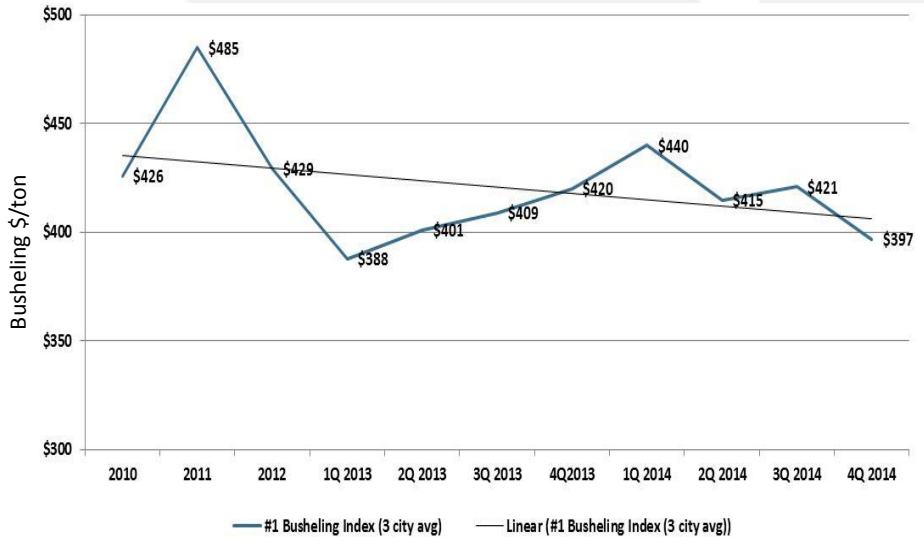
Source: TimkenSteel as of January 29, 2015

Raw material overview

Comments

- Raw material spread is the difference between raw material costs and the No. 1 Busheling Index (3 city average)
- Timing delay created by movement in the Index between the time raw materials are purchased compared to when shipped
  - Inventory turns approximately 4 times a year
- Raw material spread can be created by the types of scrap purchased
  - >180 scrap types purchased from 6 strategic categories
- Raw materials are on average ~40% of manufacturing spend

No. 1 Busheling Index (3 city average)



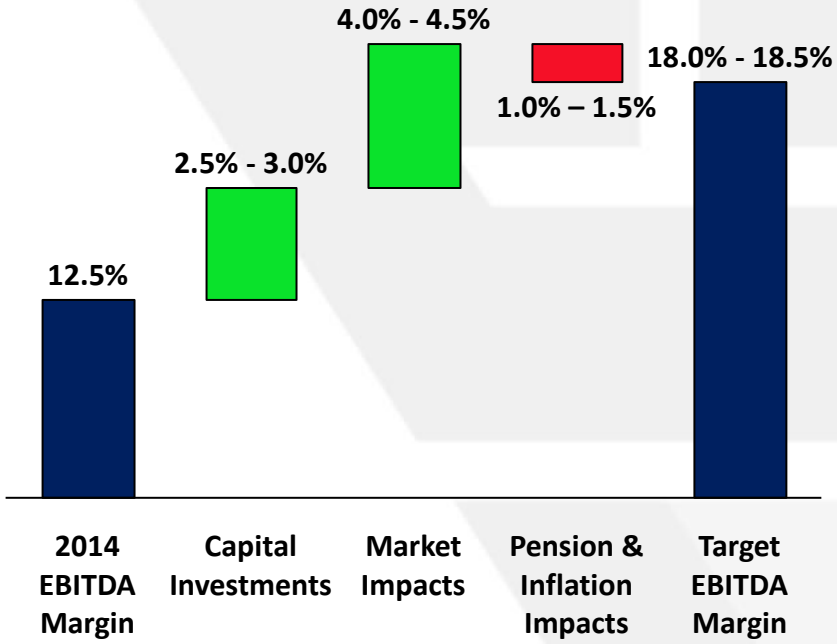
Source: TimkenSteel
Note: No. 1 Busheling Index is an average of the AMM published price on the 8th workday for Cleveland, Pittsburgh, and Chicago with a 1 month lag.

Focused on margin enhancement

Assumptions

- Recognize return on capital investments when fully ramped
  - Jumbo bloom vertical caster yield and broader product range benefits
  - Advanced quench and temper facility market share gain for completion products
- Improved market dynamics include:
  - Raw material spread return to average levels; similar to 2013
  - 85% melt utilization

Target EBITDA margin



Source: TimkenSteel as of January 29, 2014

On track to achieve record breaking EBITDA margins

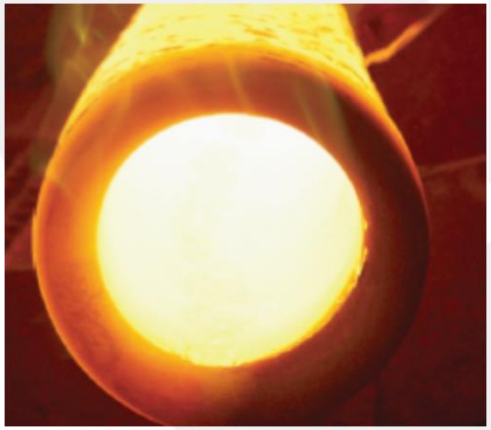
Appendix

A leading manufacturer of engineered steel products and value-added services

63% Alloy steel bars (SBQ)

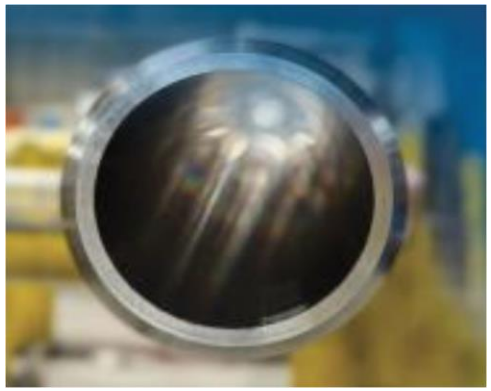


20% Seamless mechanical tubing



17% Value-added solutions

Machining, honing & drilling



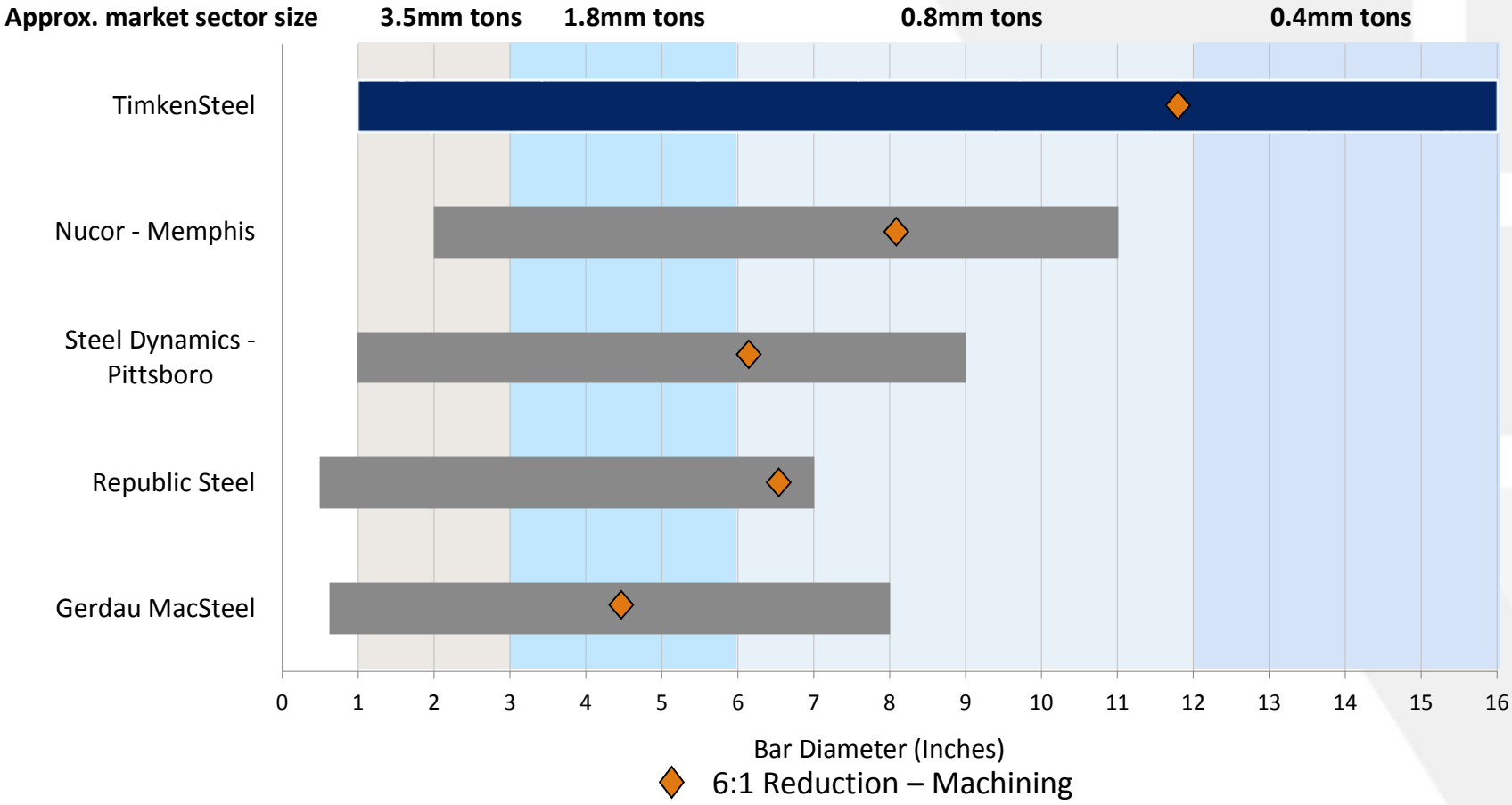
Supply chain



Components



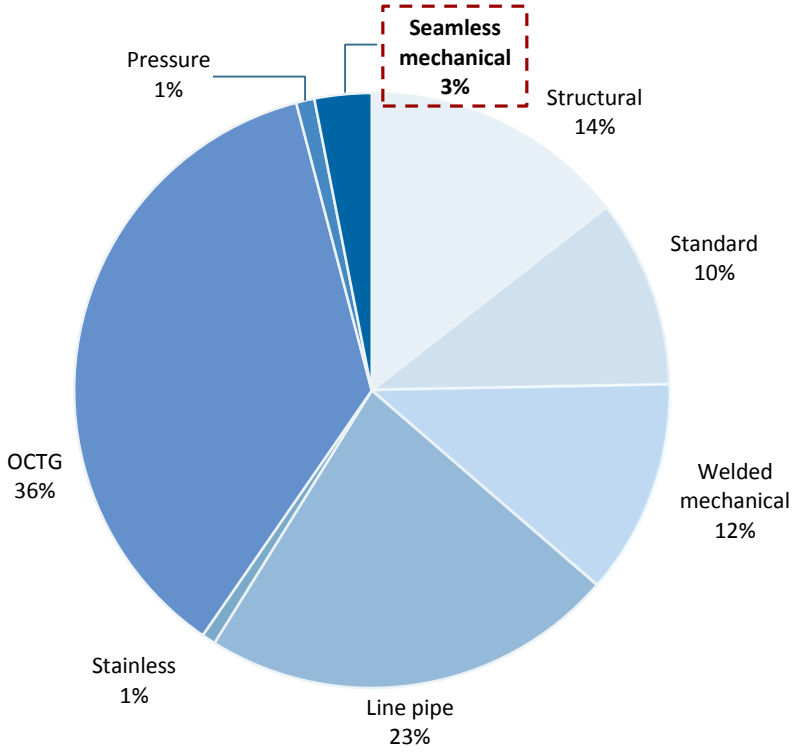
Broad size range strengthens our competitive position



Source: TimkenSteel internal estimates as of 12/31/2014

A leading producer of seamless mechanical tubing

U.S. tubing landscape[1]



19.4mm annual tons - welded and seamless

Differentiation

- Largest domestic capacity
- Broadest size range
  - 1.875” to 13.0”
- Heavier walls
- Higher value – added niche volume and alloy grade categories
- Leading producer of quench and tempered capability
- Custom grades, small order sizes, demanding applications make barrier to entry difficult

Source: 2013 Preston Pipe and Tube Report

[1] The chart is organized from lightest to darkest shading, with the darkest shading denoting the highest material value and performance

TimkenSteel applications in autos

Engine ~35%
- Crankshafts
- Connecting rods
- Fuel components

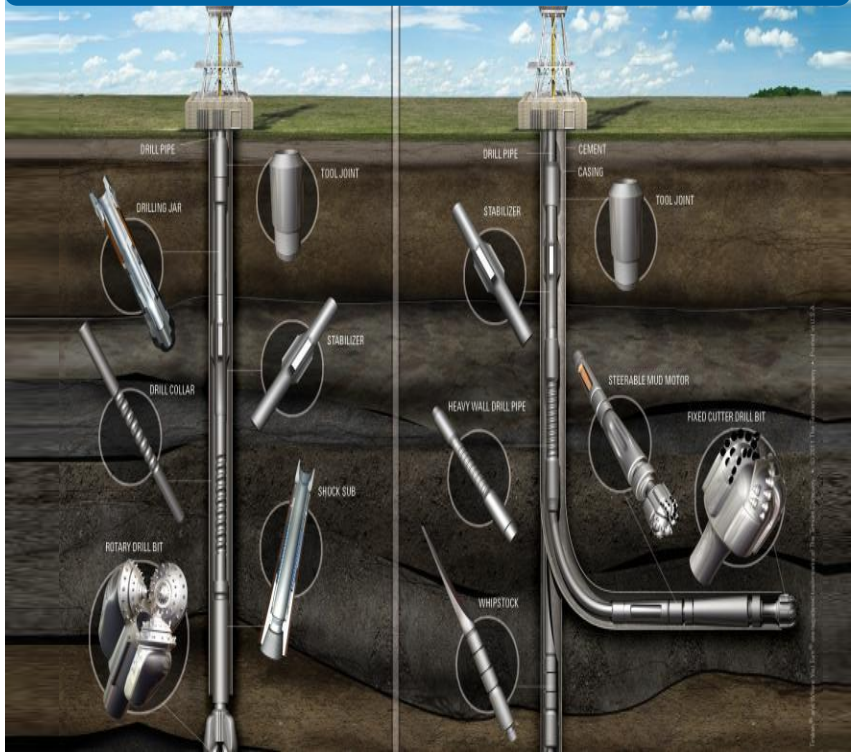


Transmission ~40%
- Shafts
- Hubs
- CVT pulley
- Sun, ring, pinion gears
- Drive gears

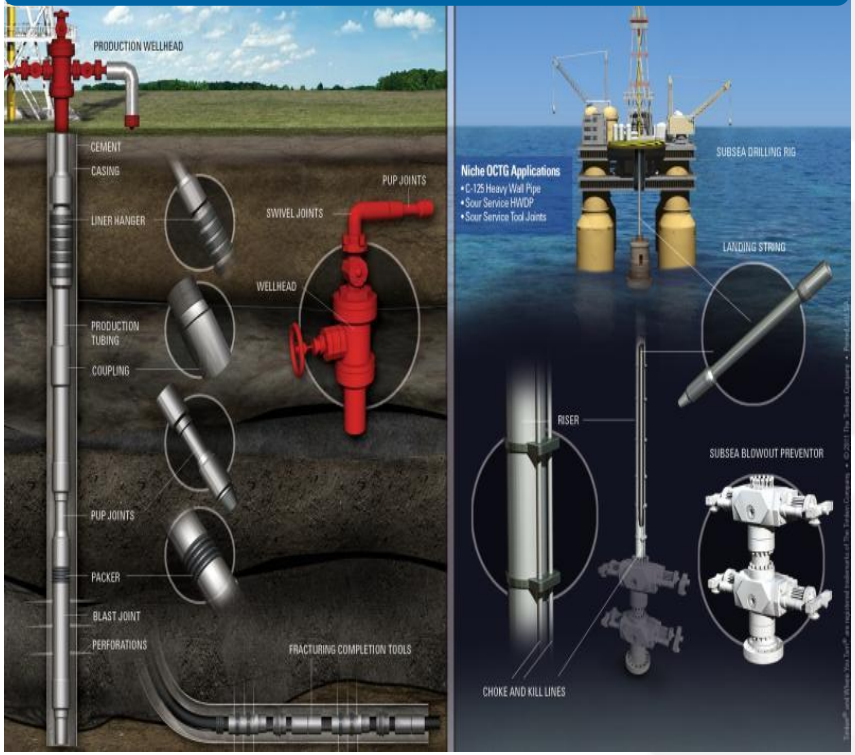
Driveline ~25%
- Bearing hubs
- Ring gear
- Drive pinion
- Axle tubing
- Side gears
- Steering knuckle
- CV Joint housing & cages
- Ring gears

Demanding applications require our unique product and process capabilities

Vertical and horizontal drilling applications

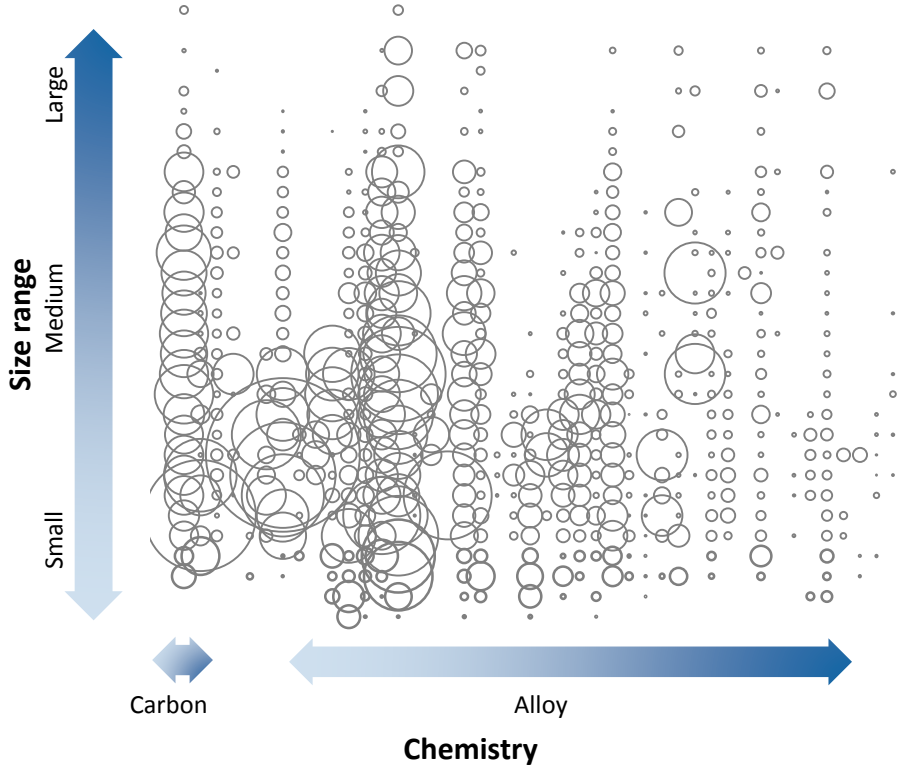


Completion and deepwater drilling applications



Unique combination of processes, experience and systems is a competitive advantage

Complex order book



Source: TimkenSteel, 2014

Complex planning environment

- 450 grades of steel
- 9,000 customer specifications
- 600 customers
- 400,000 bar configurations, more for tubes
- >40,000 orders shipped
- 30 major flow paths, 100 operations, 250 workcenters
- 7 manufacturing plants, 4 warehouses
- 25 ton average order size

100% made to order products delivered at industry leading customer service

Unique combination of processes, experienced engineering and systems drive operational excellence

Institutional application and process knowledge



Sophisticated raw material systems



Unique process capabilities

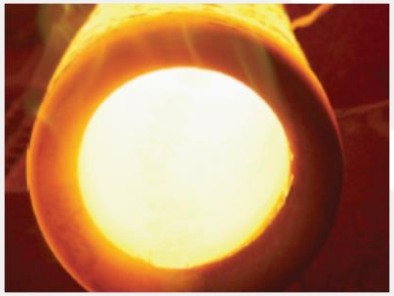


Bars



Value-added products

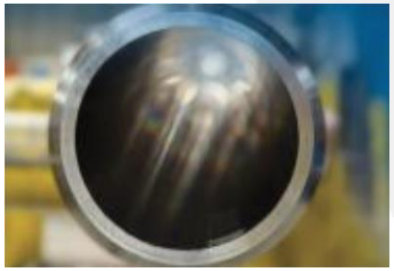
Seamless tubes



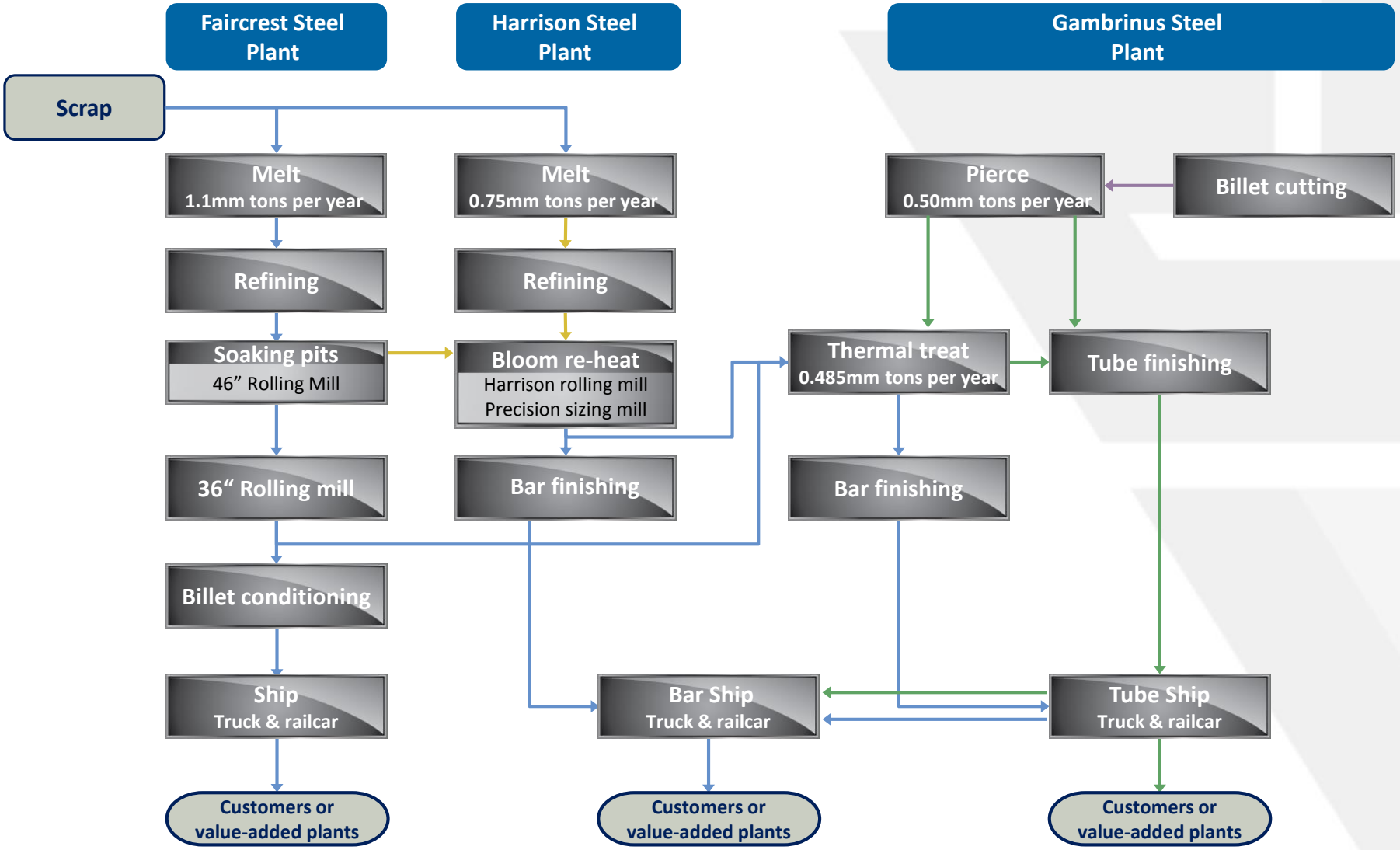
Components



Machining & drilling



Maximizing our assets and process paths to service diverse industries



2015 market outlook for segments

Industrial & Mobile

North American Light Vehicles		Growth in automotive remains strong on increasing demand.
Mining		Low commodity prices have resulted in decreased capital spending.
Machinery		GDP growth of 3 percent projected.
Rail		Expect continued rail traffic growth, new equipment spend.
Agriculture		Weaker conditions in global farm economy due to lower commodity prices and falling farm incomes.

Energy & Distribution

Distribution		Expect distribution to remain positive with single digit growth on balanced inventory levels.
Oil and Gas		Upstream exploration and production spending will decline.

Source: TimkenSteel as of January 29, 2015

Outlook framework

2015 Guidance	

Revenue	▪ First-quarter: Shipments to be flat to fourth-quarter 2014, with a shift in mix toward higher automotive sales.
	▪ Full-year: Industrial & Mobile
	  ▪ Automotive demand to remain strong.
	  ▪ Growth in industrial end markets, but at a slower rate than 2014.
	  ▪ Shipments to follow normal seasonality.
	▪ Full-year: Energy & Distribution
	  ▪ Weaker oil and gas markets due to declining oil prices and associated decrease in energy exploration and production spend.
	  ▪ Shipments to be the highest in the first quarter with declines sequentially thereafter.

Capital allocation	▪ Capital spending to be between $90 million and $100 million. ▪ Maintain dividend at current levels[(1)]. ▪ Share repurchases of at least 2 million in 2015.
Operation impacts	▪ Lower melt utilization, due to decreasing demand in energy markets and working capital management tactics to reduce inventory. ▪ Raw material spread to negatively impact margin. ▪ Additional caster yield benefits of $10 million to $12 million to be offset by depreciation and ramp-up costs.
Net income	▪ Increase pension expense by $13 million, primarily due to changes in the actuarial mortality table. ▪ Tax rate to be 35 percent.

[1] Subject to Board approval
Source: TimkenSteel as of January 29, 2015

[1]Non-GAAP financial measures

TimkenSteel reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP") and corresponding metrics as non-GAAP financial measures. EBIT is defined as operating income plus other income (expense), net. EBIT is an important financial measure used in the management of the business, including decisions concerning the allocation of resources and assessment of performance. Management believes that reporting EBIT is useful to investors as this measure is representative of the company's performance and cash generation. It also is a useful reflection of the underlying growth from the ongoing activities of the business and provides improved comparability of results.

For the periods prior to the spinoff (the spinoff was effective June 30, 2014), the consolidated financial statements have been prepared on a stand-alone basis and are derived from the consolidated financial statements and accounting records of TimkenSteel's former parent company, The Timken Company. TimkenSteel's consolidated financial statements include certain expenses of its former parent that were allocated to the steel business for certain functions, including general corporate expenses related to finance, legal, information technology, human resources, compliance, shared services, insurance, employee benefits and incentives and stock-based compensation. TimkenSteel considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses TimkenSteel would have incurred as an independent public company or of the costs it will incur in the future. Adjusted EPS is defined as net income reduced for stand-alone costs reflected at a normal run rate divided by the weighted average shares outstanding including the dilutive effect of stock-based awards. Adjusted EBIT is defined as EBIT reduced for stand-alone costs reflected at a normal run-rate. Adjusted EBIT margin is defined as adjusted EBIT as a percentage of net sales. Adjusted EBITDA is defined as adjusted EBIT increased for depreciation and amortization costs. Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of net sales. Management believes that reporting adjusted EPS, adjusted EBIT, adjusted EBITDA, adjusted EBIT margin, and adjusted EBITDA margin is useful to investors as these measures are representative of the company's performance and cash generation. They also better reflect the underlying growth from the ongoing activities of the business and provide an indication of the company's performance as an independent public company.

See the attached schedules for supplemental financial data and corresponding reconciliations of the non-GAAP financial measures referred to above to the most comparable GAAP financial measures for the time periods presented. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, TimkenSteel's results prepared in accordance with GAAP. In addition, the non-GAAP measures TimkenSteel uses may differ from non-GAAP measures used by other companies, and other companies may not define the non-GAAP measures TimkenSteel uses in the same way.

Supplemental adjusted[(1)] segment information

(Dollars in millions, except per ton data) (Unaudited)

Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

	Industrial & Mobile					Energy & Distribution					Unallocated					Total of Segments				
2014	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**
Ship Tons (k)	*153.8*	*169.0*	*158.1*	*158.9*	*639.8*	*96.1*	*120.5*	*126.0*	*111.4*	*454.0*						*249.9*	*289.5*	*284.1*	*270.3*	*1,093.8*
Net Sales	$231.8	$254.7	$240.9	$234.7	$962.1	$157.7	$187.5	$193.3	$173.6	$712.1						$389.5	$442.2	$434.2	$408.3	$1,674.2
Less Surcharges	52.5	56.8	55.7	52.7	217.7	37.0	45.6	48.9	40.9	172.4						89.5	102.4	104.6	93.6	390.1
Base Sales	179.3	197.9	185.2	182.0	744.4	120.7	141.9	144.4	132.7	539.7						300.0	339.8	329.6	314.7	1,284.1
Sales/Ton	1,507	1,507	1,524	1,477	1,504	1,641	1,556	1,534	1,558	1,569						1,559	1,527	1,528	1,511	1,531
Base Sales/Ton	1,166	1,171	1,171	1,145	1,163	1,256	1,178	1,146	1,191	1,189						1,200	1,174	1,160	1,164	1,174
EBITDA	32.0	25.2	28.0	19.3	104.5	33.7	33.6	35.6	22.5	125.4	(4.2)	(2.8)	(8.2)	(3.4)	(18.6)	61.5	56.0	55.4	38.4	211.3
as a % of sales	*13.8%*	*9.9%*	*11.6%*	*8.2%*	*10.9%*	*21.4%*	*17.9%*	*18.4%*	*13.0%*	*17.6%*						*15.8%*	*12.7%*	*12.8%*	*9.4%*	*12.6%*
EBIT	24.2	17.6	20.3	12.5	74.6	25.1	24.6	27.8	15.1	92.6	(4.2)	(2.8)	(8.2)	(3.4)	(18.6)	45.1	39.4	39.9	24.2	148.6
as a % of sales	*10.4%*	*6.9%*	*8.4%*	*5.3%*	*7.8%*	*15.9%*	*13.1%*	*14.4%*	*8.7%*	*13.0%*						*11.6%*	*8.9%*	*9.2%*	*5.9%*	*8.9%*
EBITDA/Ton	*$ 208.1*	*$ 149.1*	*$ 177.1*	*$ 121.5*	*$ 163.3*	*$ 350.7*	*$ 278.8*	*$ 282.5*	*$ 202.0*	*$ 276.2*						*$ 246.1*	*$ 193.4*	*$ 195.0*	*$ 142.1*	*$ 193.2*
EBIT/Ton	*$ 157.3*	*$ 104.1*	*$ 128.4*	*$ 78.7*	*$ 116.6*	*$ 261.2*	*$ 204.1*	*$ 220.6*	*$ 135.5*	*$ 204.0*						*$ 180.5*	*$ 136.1*	*$ 140.4*	*$ 89.5*	*$ 135.9*
2013	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**	**1Q**	**2Q**	**3Q**	**4Q**	**Full Year**
Tons (k)	*150.5*	*154.1*	*148.4*	*134.3*	*587.3*	*82.0*	*84.2*	*84.1*	*80.7*	*331.0*						*232.5*	*238.3*	*232.5*	*215.0*	*918.3*
Net Sales	$217.9	$224.0	$218.9	$204.2	$865.0	$128.4	$130.1	$131.6	$125.8	$515.9						$346.3	$354.1	$350.5	$330.0	$1,380.9
Less Surcharges	44.3	47.5	46.5	43.2	181.5	28.4	30.4	30.4	29.5	118.7						72.7	77.9	76.9	72.7	300.2
Base Sales	173.6	176.5	172.4	161.0	683.5	100.0	99.7	101.2	96.3	397.2						273.6	276.2	273.6	257.3	1,080.7
Sales/Ton	1,448	1,454	1,475	1,520	1,473	1,566	1,545	1,565	1,559	1,559						1,489	1,486	1,508	1,535	1,504
Base Sales/Ton	1,153	1,145	1,162	1,199	1,164	1,220	1,184	1,203	1,193	1,200						1,177	1,159	1,177	1,197	1,177
EBITDA	20.6	30.0	22.8	20.1	93.5	19.1	22.9	17.1	17.9	77.0	(0.1)	(6.5)	(5.4)	0.8	(11.2)	39.6	46.4	34.5	38.8	159.3
as a % of sales	9.5%	13.4%	10.4%	9.8%	10.8%	14.9%	17.6%	13.0%	14.2%	14.9%						*11.4%*	*13.1%*	*9.8%*	*11.8%*	*11.5%*
EBIT	13.6	22.8	15.6	12.3	64.3	11.3	15.1	9.3	9.7	45.4	(0.1)	(6.5)	(5.4)	0.8	(11.2)	24.8	31.4	19.5	22.8	98.5
as a % of sales	6.2%	10.2%	7.1%	6.0%	7.4%	8.8%	11.6%	7.1%	7.7%	8.8%						*7.2%*	*8.9%*	*5.6%*	*6.9%*	*7.1%*
EBITDA/Ton	*$ 136.9*	*$ 194.7*	*$ 153.6*	*$ 149.7*	*$ 159.2*	*$ 232.9*	*$ 272.0*	*$ 203.3*	*$ 221.8*	*$ 232.6*						*$ 170.3*	*$ 194.7*	*$ 148.4*	*$ 180.5*	*$ 173.5*
EBIT/Ton	*$ 90.4*	*$ 148.0*	*$ 105.1*	*$ 91.6*	*$ 109.5*	*$ 137.8*	*$ 179.3*	*$ 110.6*	*$ 120.2*	*$ 137.2*						*$ 106.7*	*$ 131.8*	*$ 83.9*	*$ 106.0*	*$ 107.3*

(1) *Please see discussion of Non-GAAP Financial Measures in the appendix*

Pre-Separation adjusted EBIT[(1)] and adjusted EBITDA[(1)] reconciliation

(Dollars in millions, except per ton data) (Unaudited)

Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

	2014			2013						
	Q2	Q1	First Half	Year	4Q	Q3	Second Half	Q2	Q1	First Half
Net Sales	$ 442.2	$ 389.5	$ 831.7	$ 1,380.9	$ 330.0	$ 350.5	$ 680.5	$ 354.1	$ 346.3	$ 700.4
Segment EBIT										
Industrial & Mobile	20.1	27.3	47.4	83.9	16.3	21.5	37.8	28.3	17.8	46.1
Energy & Distribution	28.2	28.2	56.4	58.6	12.8	12.8	25.6	18.5	14.5	33.0
Total Segment EBIT	48.3	55.5	103.8	142.5	29.1	34.3	63.4	46.8	32.3	79.1
Unallocated	(3.2)	(4.7)	(7.9)	(14.7)	1.0	(7.5)	(6.5)	(8.1)	(0.1)	(8.2)
Consolidated EBIT	45.1	50.8	95.9	127.8	30.1	26.8	56.9	38.7	32.2	70.9
Incremental standalone costs	(5.7)	(5.7)	(11.4)	(29.3)	(7.3)	(7.3)	(14.6)	(7.3)	(7.4)	(14.7)
Adjusted EBIT	39.4	45.1	84.5	98.5	22.8	19.5	42.3	31.4	24.8	56.2
Interest expense	(0.7)	—	(0.7)	(0.2)	—	(0.2)	(0.2)	—	—	—
Adjusted Income Before Income Taxes	38.7	45.1	83.8	98.3	22.8	19.3	42.1	31.4	24.8	56.2
Adjusted provision for income taxes	13.5	15.8	29.3	34.5	8.0	6.8	14.8	11.0	8.7	19.7
Adjusted Net Income	$ 25.2	$ 29.3	$ 54.5	$ 63.8	$ 14.8	$ 12.5	$ 27.3	$ 20.4	$ 16.1	$ 36.5
Average shares outstanding, diluted	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Adjusted diluted earnings per share	$ 0.55	$ 0.63	$ 1.18	$ 1.38	$ 0.32	$ 0.27	$ 0.59	$ 0.44	$ 0.35	$ 0.79
D&A	14.0	13.6	27.6	50.0	13.3	12.3	25.6	12.3	12.1	24.4
Incremental D&A	2.7	2.7	5.4	10.8	2.7	2.7	5.4	2.7	2.7	5.4
Total D&A	16.7	16.3	33.0	60.8	16.0	15.0	31.0	15.0	14.8	29.8
Adjusted EBITDA	56.1	61.4	117.5	159.3	38.8	34.5	73.3	46.4	39.6	86.0
% of sales	12.7%	15.8%	14.1%	11.5%	11.8%	9.8%	10.8%	13.1%	11.4%	12.3%

(1) *Please see discussion of Non-GAAP Financial Measures in the appendix*

Adjusted EBITDA reconciliation

Based on The Timken Company 10-K filings (US$ mm)

	2008	2009	2010	2011	2012	2013
Net sales	**$1,852.0**	**$714.9**	**$1,359.5**	**$1,956.5**	**$1,728.7**	**$1,380.9**
Reported EBIT	$264.0	($63.4)	$146.3	$267.4	$251.8	$140.2
Less: audit / other adjustments	0.0	0.0	(8.7)	0.4	(0.8)	2.3
Adjusted EBIT	**$264.0**	**($63.4)**	**$137.6**	**$267.8**	**$251.0**	**$142.5**
D&A	$48.5	$45.9	$46.1	$45.8	$49.7	$53.8
Incremental D&A	10.0	9.0	7.0	7.0	7.0	7.0
Total D&A	$58.5	$54.9	$53.1	$52.8	$56.7	$60.8
EBITDA	**$322.5**	**($8.5)**	**$190.7**	**$320.6**	**$307.7**	**$203.3**
Total standalone costs	(44.0)	(30.8)	(46.0)	(44.2)	(45.5)	(44.0)
Adjusted EBITDA	**$278.5**	**($39.3)**	**$144.7**	**$276.4**	**$262.2**	**$159.3**
% of sales	*15.0%*	*(5.5%)*	*10.6%*	*14.1%*	*15.2%*	*11.5%*

Source: TimkenSteel

Adjusted EBITDA reconciliation

Based on TimkenSteel Form 10 filings (US$ mm)

	2010	2011	2012	2013
Net sales	**$1,359.5**	**$1,956.5**	**$1,728.7**	**$1,380.9**
Segment EBIT				
Industrial & Mobile	$73.1	$114.2	$112.8	$84.0
Energy & Distribution	71.5	162.6	146.1	67.0
Total segment EBIT	$144.6	$276.8	$258.9	$151.0
Carve-in corporate costs	(20.4)	(23.9)	(24.3)	(23.2)
Form 10 reported EBIT	**$124.2**	**$252.9**	**$234.6**	**$127.8**
Incremental standalone costs	(32.6)	(29.3)	(29.1)	(29.3)
Adjusted EBIT	**$91.6**	**$223.6**	**$205.5**	**$98.5**
D&A	$42.9	$42.6	$46.2	$50.0
Incremental D&A	10.2	10.2	10.5	10.8
Total D&A	$53.1	$52.8	$56.7	$60.8
Adjusted EBITDA	**$144.7**	**$276.4**	**$262.2**	**$159.3**
% of sales	*10.6%*	*14.1%*	*15.2%*	*11.5%*

Source: TimkenSteel Form 10 filing as of 05/15/2014

TIMKEN STEEL