

TimkenSteel Corporation

Investor Presentation

Third Quarter 2021

Forward looking statements & non-GAAP financial measures

Forward looking statements

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 "will," "anticipate," "aspire," "believe," "could," "estimate," "expect," "forecast," "outlook," "intend," "may," "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 potential impact of the COVID-19 pandemic on the company's operations and financial results, including cash flows and liquidity; 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; 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; 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; 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 customer operating schedules due to supply chain constraints, 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; 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, 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; unanticipated litigation, claims or assessments, including claims or problems related to intellectual property, product liability or warranty, and environmental issues and taxes, among other matters; the availability of financing and interest rates, which affect the company's cost of funds and/or ability to raise capital, including the ability of the company to refinance or repay at maturity the convertible notes due December 1, 2025; 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; the amount of any dividend declared by the company's Board of Directors on the company's common shares; the overall impact of pension and other postretirement benefit mark-to-market accounting; and the effects of the conditional conversion feature of the Convertible Notes due December 1, 2025, which, if triggered, entitles holders to convert the notes at any time during specified periods at their option and therefore could result in potential dilution if the holder elects to convert and the company elects to satisfy a portion or all of the conversion obligation by delivering common shares instead of cash. Further, this presentation represents our current policy and intent and is not intended to create legal rights or obligations. Any standards of measurement and performance contained in this disclosure are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this presentation can or will be achieved.

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.

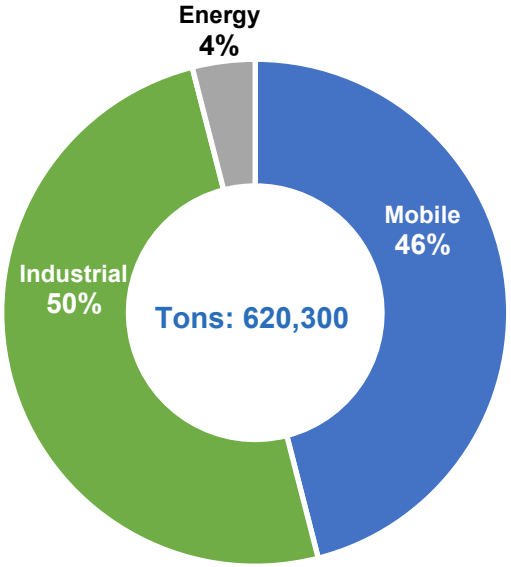
Non-GAAP financial measures

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. This earnings release includes references to the following non-GAAP financial measures: adjusted earnings (loss) per share, adjusted net income (loss), EBIT, adjusted EBIT, EBITDA, adjusted EBITDA, free cash flow and base sales. 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, 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.

TimkenSteel end market, product and customer application overview

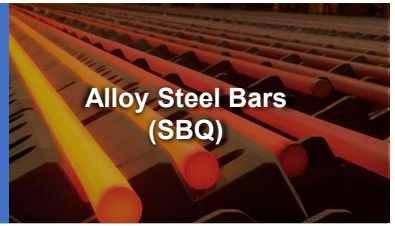
SHIPMENTS BY END MARKET
NINE MONTHS ENDED SEPTEMBER 30, 2021



~20% of total shipments are sold via distribution channel

PRODUCTS [1]

80%



10%



10%



CAPABILITIES OVERVIEW

- Annual melt capacity of ~1.2M tons with ~900k tons ship capacity
- Wide size range of SBQ products
- Largest domestic producer of SMT products
- Manufactured components producer with opportunities for targeted growth

EXAMPLE HIGH-QUALITY CUSTOMER APPLICATIONS

- Bearings
- Gears
- Crankshafts
- Electric vehicle ring gears and pinion shafts
- Munitions
- Energy drilling tools













(1) As a percentage of Sep-YTD 2021 shipments

TimkenSteel key investment considerations

Founded in 1917 and established as an independent public company in 2014, TimkenSteel is a manufacturer of high-quality specialty steel, manufactured components and supply chain solutions which seeks to delivers exceptional value to our customers, employees and shareholders.



Brand
Best-in-class quality brand

Customers
Longstanding relationships in diverse industries

Operations
- Modern assets
- Improved through-cycle utilization via consolidated melt capacity

Cost Structure
Significant cost reductions completed and ongoing

Balance Sheet
Strong balance sheet and liquidity position enabled by cash flow generation

ESG
- 100% recycling-based electric arc furnace production
- Published 2030 environmental reduction targets

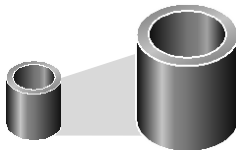
Employees
New and experienced leadership supported by technical and capable workforce

Broadest SBQ product offering in North America

BROAD COMMERCIAL POSITION

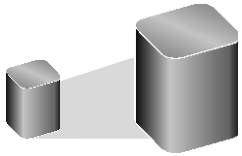
- Diversified customer mix
- 35-ton average order size
- ~33,000+ orders per year
- Additional product offering forms including ingots, cast blooms, billets and manufactured components

TUBES

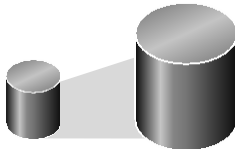


Tubes
3” – 13”

BARS



Round Corner Squares
3.1” – 12.5”



Bars
1” – 16”

MANUFACTURED COMPONENTS OVERVIEW

Mobile	• Planetary gear preforms; blanks for shafts and hubs • Awarded contracts for electric and hybrid vehicles • Served through SW Ohio owned facility and supplier network
Industrial	• Bearing, heavy equipment and military blanks • Served through N. Carolina owned facility and supplier network
Energy	• Transitioned to supplier network





ESG at TimkenSteel

Legacy of Sustainability and Responsibility

100% of our steel produced from primarily recycled scrap metal – since 1952

Safety performance that consistently outperforms industry averages

ISO 14001 Environmental Management System certifications for all our domestic facilities that produce or process steel

Greenhouse gas (GHG) emissions are consistently **less than 1/2** the industry average

2 million pounds of iron captured and recycled annually at our water treatment plant

Since 2015, reclaimed and recycled approximately **2.6 billion pounds** of slag byproduct

40% board diversity (women or ethnically diverse)

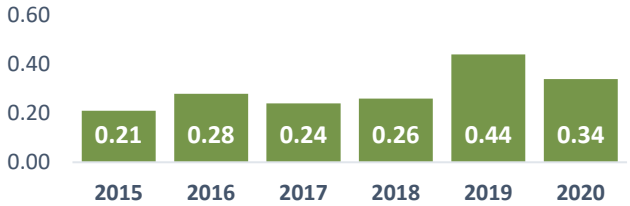
Longstanding relationships with local **community organizations**

ESG performance

TOTAL RECORDABLE INJURY RATE [1]



LOST TIME INJURY RATE [2]



EMISSIONS FOOTPRINT

GHG Emissions Intensity[3]

	2018	2019	2020
Global Industry Average[5]	1.81	1.85	1.89
TimkenSteel	0.82	0.87	0.83

Energy Intensity[4]

	2018	2019	2020
Global Industry Average[5]	19.5	20.1	20.6
TimkenSteel	7.4	7.8	8.4

In 2020,

802,000 tons

of 100% recycled scrap were delivered to our melt shops



(1) Total Recordable Injury Rate is defined as OSHA recordable incidents x 200,000 / hours worked
(2) Lost Time Injury Rate is defined as OSHA days away from work cases x 200,000 / hours worked
(3) Greenhouse Gas (GHG) Emissions defined as average metric tons of CO_2 emitted per metric ton of steel produced

(4) Energy Intensity defined as average gigajoule consumed per metric ton of steel produced
(5) https://www.worldsteel.org/steel-by-topic/sustainability/sustainability-indicators.html. Global industry average GHG emissions incorporates Scopes 1 (direct), 2 (indirect), and 3 (optional). TimkenSteel data incorporates Scopes 1 and 2. TimkenSteel has not created a Scope 3 inventory.

2030 environmental goals

Next-Level ESG Implementation

Sustainability Accounting Standards Board (SASB) disclosures published **in April 2021**

Beyond 2030, TimkenSteel aspires to achieve carbon neutrality

2030 environmental goals announced in October 2021

(compared with a 2018 baseline – see our SASB disclosure)

40%	30%	35%	10%
absolute reduction in combined Scope 1 and Scope 2 greenhouse gas emissions	absolute reduction in total energy consumption (direct and indirect)	absolute reduction in fresh water withdrawn	reduction in waste-to-landfill intensity

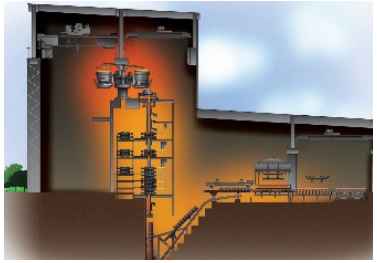
TimkenSteel is committed to making progress toward and achieving our long-term goals and building on our long-standing reputation as a sustainable steel supplier

Significant investments built leading positions

Our investments have built the leading domestic capacity for high-performance SBQ materials and manufactured components capabilities

MAJOR PROJECT	COMMISSION YEAR	INVESTMENT ($M)	RATIONALE
Intermediate Finishing Line	2013	$46	Improve safety and productivity; target completion tubing
Forge Press and Peeler	2013	$34	Improve yield; target highly uniform bars for industrial and energy markets
New Refiner	2013	$25	Reduce melt constraint; target high alloy products
Jumbo Bloom Vertical Caster	2014	$200	Increase yield, capacity and flexibility
Advanced Quench and Temper Facility	2016	$41	Increase share in energy completion products
Manufactured Components Expansion	2020	$21	Grow manufactured components capabilities to support automotive market share gain

JUMBO BLOOM VERTICAL CASTER



- ~125,000 tons of added capacity
- 10% yield improvement
- Flexible capacity in all environments
- Superior cleanness for strand cast products
- Broader capability to support higher-value SBQ products

MANUFACTURED COMPONENTS EXPANSION

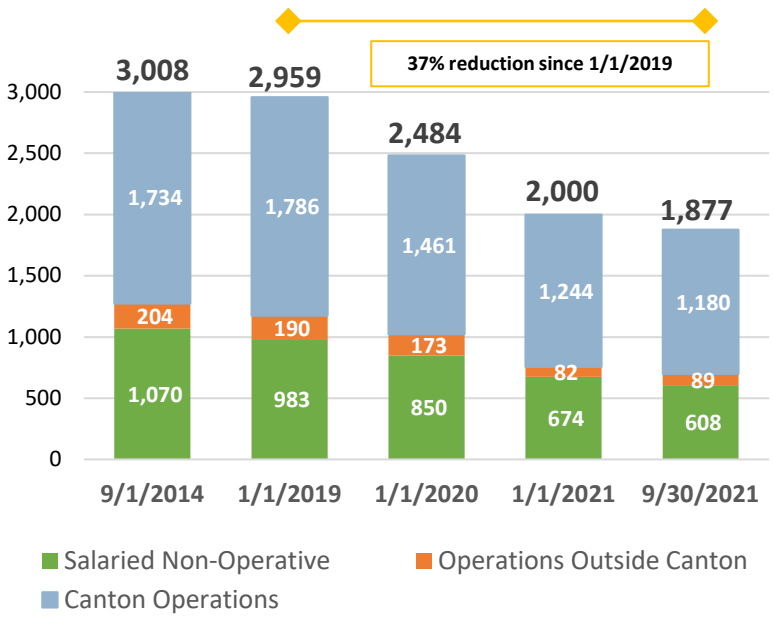


- $21M expansion in Eaton, Ohio facility completed in 2020
- Specialized machining focus in automotive high-quality components
- 6 additional machining lines installed with room to grow
- ~3.5M unit incremental gear machining capacity
- Currently executing planned new business through 2028+

Over $400M of capital investments over last ~10 years while sustaining a long-term approach to asset reliability

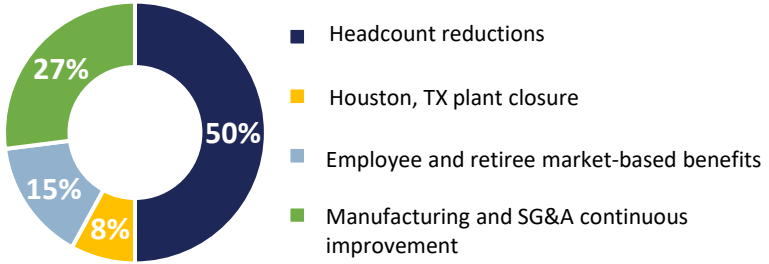
Ongoing actions to significantly improve cost competitiveness

TOTAL EMPLOYEES



SUMMARY OF COST REDUCTION ACTIONS

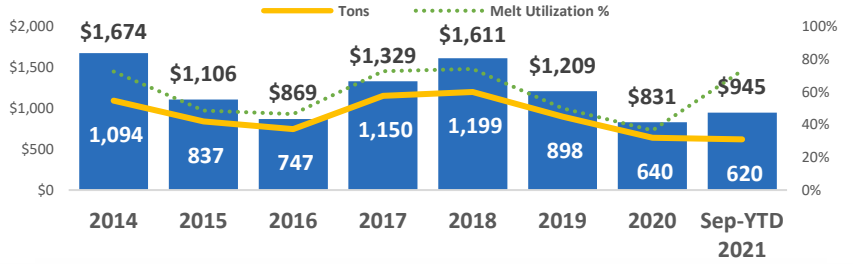
- **Achieved > $100M of run rate savings in 2020** with ~75% structural and ~25% variable with volume
- **Components of achieved > $100M run rate savings:**



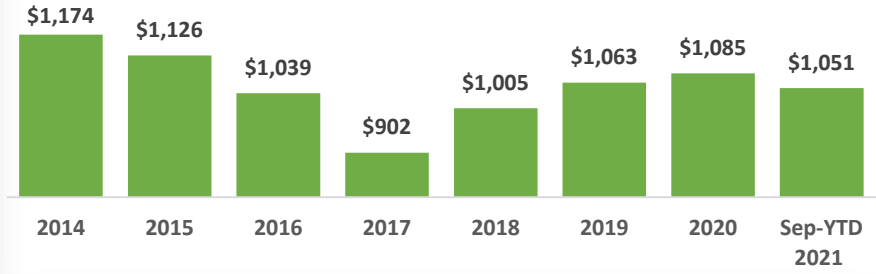
- **Additional recent actions in 2021 expected to deliver ~$23M to ~$28M of run rate savings:**
  - Transitioned to single melt shop in Q1 2021 = **~$15M to ~$20M run rate savings** (~50% recognized in 2020 / ~50% to be recognized in 2022)
  - Exited small diameter tubing product manufacturing in Q1 2021 = **~$3M run rate savings** (starting Q2 2021)
  - Offered employee voluntary exit incentive program in Q4 2022 = **~$5M run rate savings** (~70% to be realized in 2022)

Historical annual financial performance

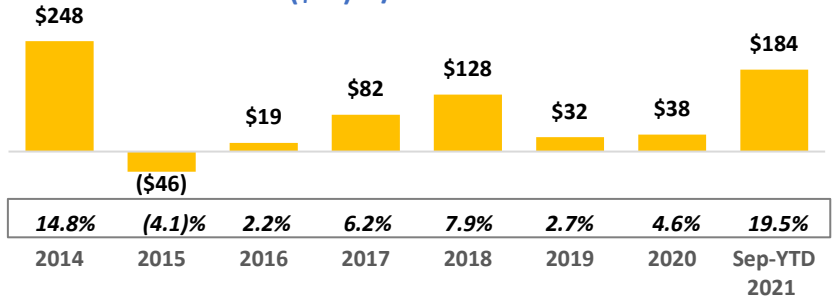
NET SALES ($M) / SHIPPED TONS (K) / MELT UTILIZATION



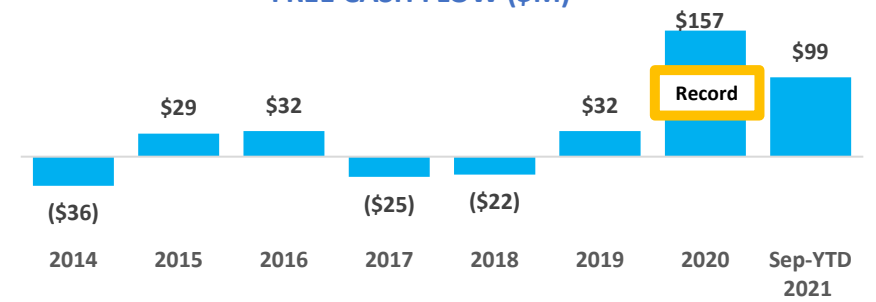
AVERAGE BASE SELLING PRICE ($/TON)[3]



ADJUSTED EBITDA ($M)[1] / ADJUSTED EBITDA MARGIN %[4]

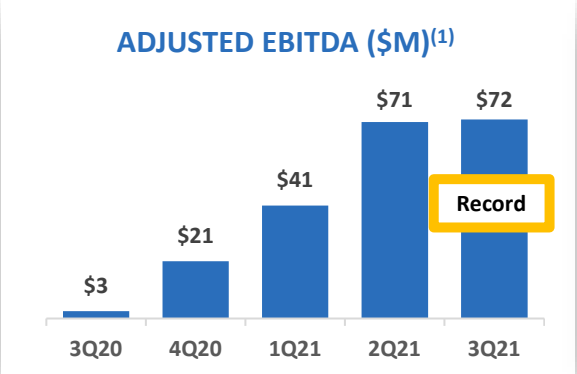


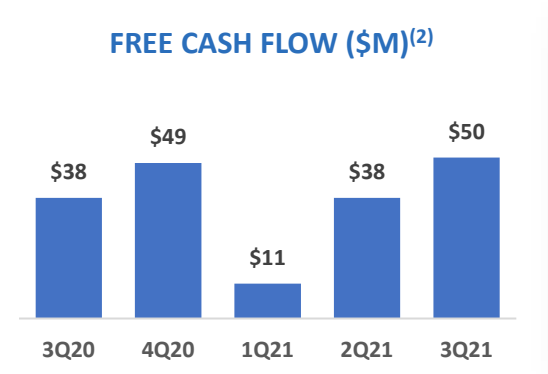
FREE CASH FLOW ($M)[2]

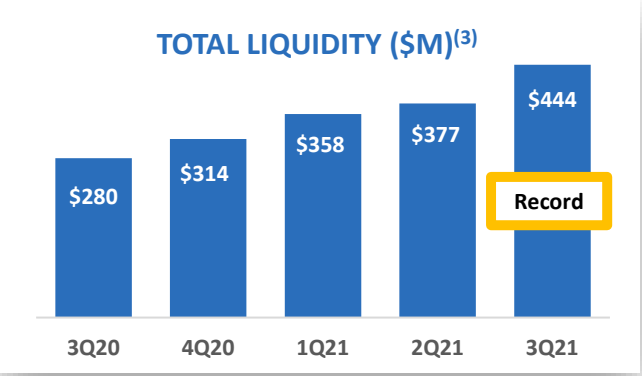


(1) Adjusted EBITDA is defined as net income (loss) before interest expense, income taxes, depreciation and amortization, presented on a non-GAAP basis excluding certain items; see Appendix for a reconciliation of non-GAAP measures
(2) Free Cash Flow is defined as net cash provided (used) by operating activities less capital expenditures; see Appendix for a reconciliation of non-GAAP measures
(3) Base Selling Price is defined as Net sales excluding surcharges; see the reconciliation of base sales to net sales in the Appendix
(4) Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of net sales, see Appendix for a reconciliation of non-GAAP measures

Recent quarterly financial performance and outlook







3Q 2021 HIGHLIGHTS

- **Net sales** of $343.7M increased 5% sequentially
- **Net income** of $50.1 million and record **Adj. EBITDA**(1) of $72.0 million
- Strong **operating cash flow** of $53.8 million, representing 10th consecutive quarter of positive operating cash flow, with record **total liquidity**(3) of $444.4 million

OUTLOOK

- 4Q 2021 **ship tons** expected to be lower than 3Q level due to planned annual melt shop maintenance outage
- **Melt utilization** of 75% or higher in 4Q 2021
- Planned melt shop annual maintenance outage **cost** of ~$5 million in 4Q 2021
- **Labor agreement** ratification bonus of ~$2 million in 4Q 2021
- **CapEx** expected to be in the range of $15 million to $20 million in 2021

First half of 2022 order book is filling up in a strong pricing environment.
Positioned to finish 2021 with a strong balance sheet and cash flow, and further build on positive business momentum in 2022.

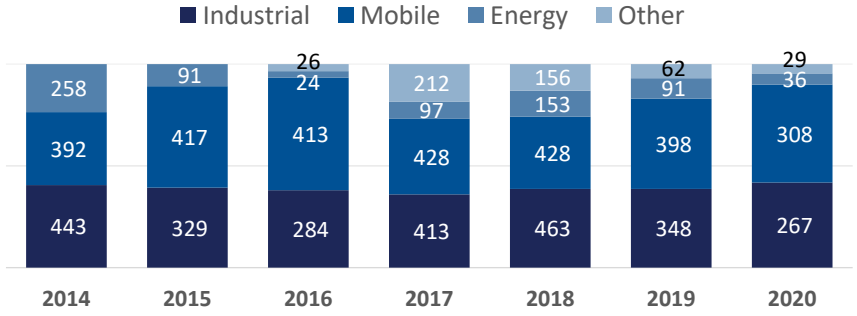
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(2) Free Cash Flow is defined as net cash provided (used) by operating activities less capital expenditures; see Appendix for a reconciliation of non-GAAP measures
(3) Total Liquidity is defined as available borrowings capacity under credit facility plus cash and cash equivalents



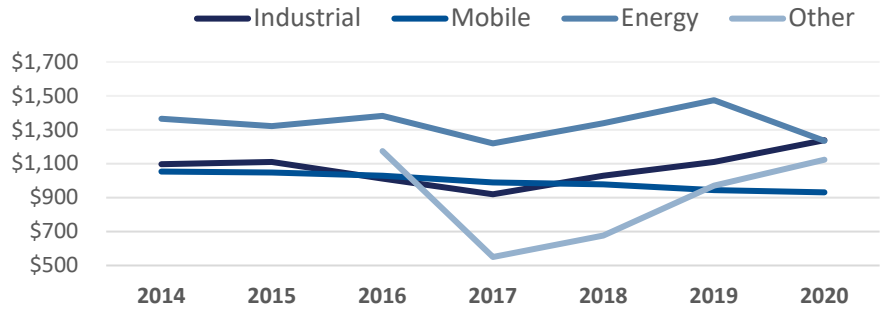
Appendix

Select performance history by end market

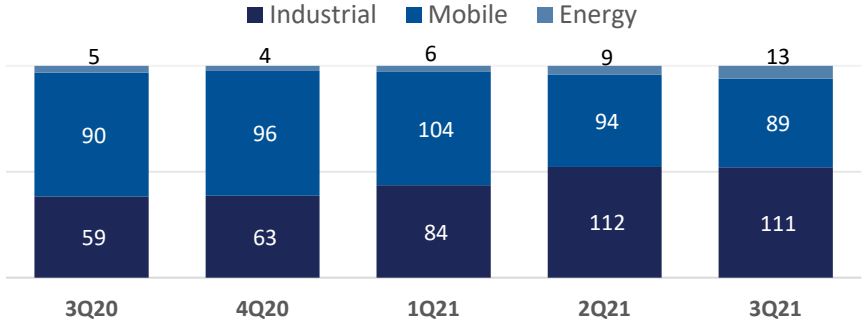
SHIPMENTS BY END MARKET (K TONS)[3]

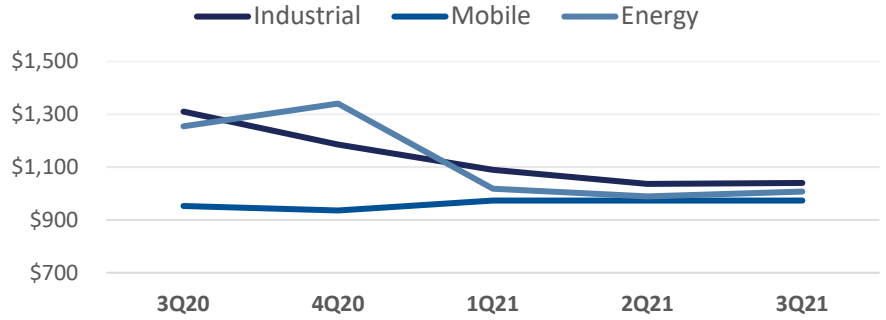


AVERAGE BASE SALES BY END MARKET ($ / TON)[1][2][3]



QUARTERLY





(1) Net sales excluding surcharges
(2) See the reconciliation of base sales to net sales in the Appendix
(3) OCTG Billet business began in 2016 – represented in "Other"

Annual reconciliation of base sales(1) to GAAP net sales

The tables below present net sales by end-market sector, adjusted to exclude raw material surcharges, which represents a financial measure that has not been determined in accordance with U.S. GAAP. We believe presenting net sales by end-market sector, adjusted to exclude raw material surcharges, provides additional insight into key drivers of net sales such as base price and product mix.

MOBILE

$m	2014	2015	2016	2017	2018	2019	2020
Net Sales	$ 535.0	$ 504.4	$ 475.4	$ 528.6	$ 553.9	$ 479.3	$ 346.0
Less: Surcharges	122.3	67.0	50.3	105.1	134.4	104.1	59.3
Base sales(1)	$ 412.7	$ 437.4	$ 425.1	$ 423.5	$ 419.5	$ 375.2	$ 286.7
Ship tons (k)	391.9	417.2	413.0	428.1	428.3	397.6	308.1
Avg. base sales per ton	$ 1,053	$ 1,048	$ 1,029	$ 989	$ 980	$ 944	$ 931
Avg. net sales per ton	$ 1,365	$ 1,209	$ 1,151	$ 1,235	$ 1,293	$ 1,205	$ 1,123

INDUSTRIAL

$m	2014	2015	2016	2017	2018	2019	2020
Net Sales	$ 649.2	$ 437.8	$ 323.7	$ 486.4	$ 637.5	$ 486.3	$ 391.7
Less: Surcharges	162.2	72.3	35.9	106.6	161.5	99.9	61.1
Base sales(1)	$ 487.0	$ 365.5	$ 287.8	$ 379.8	$ 476.0	$ 386.4	$ 330.6
Ship tons (k)	443.4	328.9	284.3	413.4	462.7	348.2	267.0
Avg. base sales per ton	$ 1,098	$ 1,111	$ 1,012	$ 919	$ 1,029	$ 1,110	$ 1,238
Avg. net sales per ton	$ 1,464	$ 1,331	$ 1,139	$ 1,177	$ 1,378	$ 1,397	$ 1,467

ENERGY

$m	2014	2015	2016	2017	2018	2019	2020
Net Sales	$ 458.1	$ 144.6	$ 35.7	$ 141.7	$ 265.6	$ 166.4	$ 53.2
Less: Surcharges	105.5	24.4	3.2	23.5	61.2	32.8	8.4
Base sales(1)	$ 352.6	$ 120.2	$ 32.5	$ 118.2	$ 204.4	$ 133.6	$ 44.8
Ship tons (k)	258.4	91.0	23.5	97.0	152.8	90.6	36.3
Avg. base sales per ton	$ 1,365	$ 1,321	$ 1,383	$ 1,219	$ 1,338	$ 1,475	$ 1,234
Avg. net sales per ton	$ 1,773	$ 1,589	$ 1,519	$ 1,461	$ 1,738	$ 1,837	$ 1,466

OTHER

$m	2014	2015	2016	2017	2018	2019	2020
Net Sales	$ 31.9	$ 19.4	$ 34.7	$ 172.5	$ 153.6	$ 76.8	$ 39.8
Less: Surcharges	—	—	4.3	56.1	48.3	16.7	7.2
Base sales(1)	$ 31.9	$ 19.4	$ 30.4	$ 116.4	$ 105.3	$ 60.1	$ 32.6
Ship tons (k)	—	—	25.9	211.7	155.6	61.9	29.0
Avg. base sales per ton	—	—	$ 1,174	$ 550	$ 677	$ 971	$ 1,124
Avg. net sales per ton	—	—	$ 1,340	$ 815	$ 987	$ 1,241	$ 1,372

(1) *Base Sales is defined as net sales adjusted to exclude raw material surcharges*
Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

Annual reconciliation of base sales(1) to GAAP net sales

The tables below present net sales by year, adjusted to exclude raw material surcharges, which represents a financial measure that has not been determined in accordance with U.S. GAAP. We believe presenting net sales by year, adjusted to exclude raw material surcharges, provides additional insight into key drivers of net sales such as base price.

ANNUAL – CONSOLIDATED TOTAL

$m	2014	2015	2016	2017	2018	2019	2020	Sep-YTD 2021
Net Sales	$ 1,674.2	$ 1,106.2	$ 869.5	$ 1,329.2	$ 1,610.6	$ 1,208.8	$ 830.7	$ 944.6
Less: Surcharges	390.0	163.7	93.7	291.3	405.4	253.5	136.0	292.5
Base sales(1)	$ 1,284.2	$ 942.5	$ 775.8	$ 1,037.9	$ 1,205.2	$ 955.3	$ 694.7	$ 652.1
Ship tons (k)	1,093.7	837.1	746.7	1,150.2	1,199.4	898.3	640.4	620.3
Avg. base sales per ton	$ 1,174	$ 1,126	$ 1,039	$ 902	$ 1,005	$ 1,063	$ 1,085	$ 1,051
Avg. net sales per ton	$ 1,531	$ 1,321	$ 1,164	$ 1,156	$ 1,343	$ 1,346	$ 1,297	$ 1,523

(1) *Base Sales is defined as net sales adjusted to exclude raw material surcharges*
Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

Quarterly reconciliation of base sales(1) to GAAP net sales

The tables below present net sales by end-market sector, adjusted to exclude raw material surcharges, which represents a financial measure that has not been determined in accordance with U.S. GAAP. We believe presenting net sales by end-market sector, adjusted to exclude raw material surcharges, provides additional insight into key drivers of net sales such as base price and product mix.

MOBILE

$m	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Sales	$ 103.1	$ 109.1	$ 133.6	$ 132.9	$ 133.5
Less: Surcharges	17.0	19.0	32.8	41.7	47.0
Base sales(1)	$ 86.1	$ 90.1	$ 100.8	$ 91.2	$ 86.5
Ship tons (k)	90.3	96.3	103.5	93.6	88.8
Avg. base sales per ton	$ 953	$ 936	$ 974	$ 974	$ 974
Avg. net sales per ton	$ 1,142	$ 1,133	$ 1,291	$ 1,420	$ 1,503

INDUSTRIAL

$m	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Sales	$ 90.7	$ 89.7	$ 124.7	$ 173.6	$ 182.0
Less: Surcharges	13.0	14.7	32.7	57.6	66.6
Base sales(1)	$ 77.7	$ 75.0	$ 92.0	$ 116.0	$ 115.4
Ship tons (k)	59.3	63.3	84.4	111.9	111.0
Avg. base sales per ton	$ 1,310	$ 1,185	$ 1,090	$ 1,037	$ 1,040
Avg. net sales per ton	$ 1,530	$ 1,417	$ 1,477	$ 1,551	$ 1,640

ENERGY

$m	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Sales	$ 7.0	$ 6.4	$ 7.7	$ 13.2	$ 20.4
Less: Surcharges	1.1	0.9	2.1	4.6	7.4
Base sales(1)	$ 5.9	$ 5.5	$ 5.6	$ 8.6	$ 13.0
Ship tons (k)	4.7	4.1	5.5	8.7	12.9
Avg. base sales per ton	$ 1,255	$ 1,341	$ 1,018	$ 989	$ 1,008
Avg. net sales per ton	$ 1,489	$ 1,561	$ 1,400	$ 1,517	$ 1,581

OTHER

$m	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Sales	$ 5.1	$ 6.0	$ 7.6	$ 7.6	$ 7.8
Less: Surcharges	—	0.1	—	—	—
Base sales(1)	$ 5.1	$ 5.9	$ 7.6	$ 7.6	$ 7.8
Ship tons (k)	—	0.3	—	—	—
Avg. base sales per ton	$ —	$ —	$ —	$ —	$ —
Avg. net sales per ton	$ —	$ —	$ —	$ —	$ —

(1) *Base Sales is defined as net sales adjusted to exclude raw material surcharges*
Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

Quarterly reconciliation of base sales(1) to GAAP net sales

The tables below present net sales by quarter, adjusted to exclude raw material surcharges, which represents a financial measure that has not been determined in accordance with U.S. GAAP. We believe presenting net sales, adjusted to exclude raw material surcharges, provides additional insight into key drivers of net sales such as base price.

QUARTERLY – CONSOLIDATED TOTAL

$m	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Sales	$ 205.9	$ 211.2	$ 273.6	$ 327.3	$ 343.7
Less: Surcharges	31.1	34.7	67.6	103.9	121.0
Base sales(1)	$ 174.8	$ 176.5	$ 206.0	$ 223.4	$ 222.7
Ship tons (k)	154.3	164.0	193.4	214.2	212.7
Avg. base sales per ton	$ 1,133	$ 1,076	$ 1,065	$ 1,043	$ 1,047
Avg. net sales per ton	$ 1,334	$ 1,288	$ 1,415	$ 1,528	$ 1,616

(1) *Base Sales is defined as net sales adjusted to exclude raw material surcharges*
Figures in the table may not recalculate exactly as presented in the earnings release due to rounding

Reconciliation of Earnings (Loss) Before Interest and Taxes (EBIT)[1], Adjusted EBIT[3], Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)[2] and Adjusted EBITDA[4] to GAAP Net Income (Loss)

This reconciliation is provided as additional relevant information about the Company's performance. EBIT, Adjusted EBIT, 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 EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA is useful to investors as these measures are representative of the Company's performance, and provide improved comparability of results. Management also believes that it is appropriate to compare GAAP net income (loss) to EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA.

$M — Annual – Consolidated Total

(Unaudited)	December 31,							Sep-YTD
	2014	2015	2016	2017	2018	2019	2020	2021
Net income (loss)	$ 67.4	$ (95.7)	$ (110.5)	$ (31.3)	$ (10.0)	$ (110.0)	$ (61.9)	$ 113.9
Provision for income taxes	22.6	(26.7)	(36.5)	1.5	1.8	(16.1)	1.2	2.1
Interest expense	0.9	3.4	11.4	14.8	17.1	15.7	12.2	4.7
Earnings (loss) Before Interest and Taxes (EBIT)[1]	$ 90.9	$ (119.0)	$ (135.6)	$ (15.0)	$ 8.9	$ (110.4)	$ (48.5)	$ 120.7
EBIT margin[1]	5.4%	(10.8%)	(15.6%)	(1.1%)	0.6%	(9.1%)	(5.8%)	12.8%
Depreciation and amortization	58.0	73.4	74.9	74.9	73.0	73.5	70.0	48.1
Earnings (loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)[2]	$ 148.9	$ (45.6)	$ (60.7)	$ 59.9	$ 81.9	$ (36.9)	$ 21.5	$ 168.8
EBITDA margin[2]	8.9%	(4.1%)	(7.0%)	4.5%	5.1%	(3.1)%	2.6%	17.9%
Executive severance and transition costs					(1.7)	(5.6)		(0.5)
Impairment charges and loss on sale or disposal of assets						(8.9)		
Loss on sale of scrap processing facility							(0.1)	
Gain/(loss) on sale of TMS assets							3.6	
Restructuring charges	(1.2)	(6.5)	(0.3)	(0.7)	(0.9)	(8.9)	(3.2)	(2.0)
Accelerated depreciation and amortization (EBIT only)						(2.8)	(3.4)	(1.5)
Gain (loss) from remeasurement of benefit plans	(98.3)	6.5	(79.7)	(21.8)	(43.5)	(40.6)	(14.7)	(2.2)
Write-down of supplies inventory								(2.1)
Loss on extinguishment of debt							(0.9)	
Employee retention credit							2.3	
Facility phase down: Inventory write-down						(4.8)		
Faircrest plant asset disposal, net of recovery							0.1	
Business transformation costs						(0.5)	(1.0)	(1.4)
Sales and use tax refund								2.5
TMS inventory write-down							(3.1)	
Harrison melt impairment charges								(7.9)
TMS impairment charges								(0.3)
Loss on sale of consolidation subsidiary								(1.1)
Gain on sale of non-core property							0.5	
Adjusted EBIT[3]	$ 190.4	$ (119.0)	$ (55.6)	$ 7.5	$ 55.0	$ (38.3)	$ (28.6)	$ 137.2
Adjusted EBIT margin[3]	11.4%	(10.8%)	(6.4%)	0.6%	3.4%	(3.2%)	(3.4%)	14.5%
Adjusted EBITDA[4]	$ 248.4	$ (45.6)	$ 19.3	$ 82.4	$ 128.0	$ 32.4	$ 38.0	$ 183.8
Adjusted EBITDA margin[4]	14.8%	(4.1%)	2.2%	6.2%	7.9%	2.7%	4.6%	19.5%

(1) EBIT is defined as net income (loss) before interest expense and income taxes; EBIT Margin is EBIT as a percentage of net sales
(2) EBITDA is defined as net income (loss) before interest expense, income taxes, depreciation and amortization; EBITDA Margin is EBITDA as a percentage of net sales
(3) Adjusted EBIT is defined as EBIT excluding, as applicable, adjustments listed in the table above; adjusted EBIT Margin is Adjusted EBIT as a percentage of net sales
(4) 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 Earnings (Loss) Before Interest and Taxes (EBIT)[1], Adjusted EBIT[3], Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)[2] and Adjusted EBITDA[4] to GAAP Net Income (Loss)

This reconciliation is provided as additional relevant information about the Company's performance. EBIT, Adjusted EBIT, 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 EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA is useful to investors as these measures are representative of the Company's performance, and provide improved comparability of results. Management also believes that it is appropriate to compare GAAP net income (loss) to EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA.

$M	Quarterly – Consolidated Total				
(Unaudited)	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net income (loss)	$ (13.9)	$ (12.8)	$ 9.8	$ 54.0	$ 50.1
Provision for income taxes	0.3	0.6	0.2	1.4	0.5
Interest expense	3.0	3.0	1.9	1.7	1.2
Earnings (loss) Before Interest and Taxes (EBIT)[1]	$ (10.6)	$ (9.2)	$ 11.9	$ 57.1	$ 51.8
EBIT margin[1]	(5.1%)	(4.4%)	4.3%	17.4%	15.1%
Depreciation and amortization	17.0	17.8	17.6	15.4	15.1
Earnings (loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)[2]	$ 6.4	$ 8.6	$ 29.5	$ 72.5	$ 66.9
EBITDA margin[2]	3.1%	4.1%	10.8%	22.2%	19.5%
Executive severance and transition costs				(0.5)	
Gain/(loss) on sale of TMS assets	0.5	(1.0)			
Restructuring charges	(0.7)	(1.6)	(0.5)	(1.0)	(0.4)
Accelerated depreciation and amortization (EBIT only)	(0.4)	(1.3)	(1.5)		
Gain (loss) from remeasurement of benefit plans	4.1	(11.2)	(0.2)	0.7	(2.7)
Loss on extinguishment of debt		(0.9)			
Write-down of supplies inventory			(2.1)		
Employee retention credit		2.3			
Business transformation costs[5]	(0.1)	(0.2)	(0.3)	(0.2)	(0.9)
Sales and use tax refund				2.5	
TMS impairment charges			(0.3)		
Harrison melt impairment charges			(7.9)		
Gain on sale of non-core property		0.5			
Loss on sale of consolidated subsidiary					(1.1)
Adjusted EBIT[3]	$ (14.0)	$ 4.2	$ 24.7	$ 55.6	$ 56.9
Adjusted EBIT margin[3]	(6.8%)	2.0%	9.0%	17.0%	16.6%
Adjusted EBITDA[4]	$ 2.6	$ 20.7	$ 40.8	$ 71.0	$ 72.0
Adjusted EBITDA margin[4]	1.3%	9.8%	14.9%	21.7%	20.9%

(1) EBIT is defined as net income (loss) before interest expense and income taxes. EBIT Margin is EBIT as a percentage of net sales
(2) EBITDA is defined as net income (loss) before interest expense, income taxes, depreciation and amortization. EBITDA Margin is EBITDA as a percentage of net sales
(3) Adjusted EBIT is defined as EBIT excluding, as applicable, adjustments listed in the table above. Adjusted EBIT Margin is Adjusted EBIT as a percentage of net sales
(4) 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
(5) Business transformation costs consist of items that are non-routine in nature

Reconciliation of Free Cash Flow[1] 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.

$M — QUARTERLY – CONSOLIDATED TOTAL

(Unaudited)	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Net Cash Provided (Used) by Operating Activities	$ 41.1	$ 52.5	$ 13.2	$ 39.2	$ 53.8
Less: Capital expenditures	(3.4)	(3.9)	(2.3)	(1.5)	(3.5)
Free Cash Flow[1]	$ 37.7	$ 48.6	$ 10.9	$ 37.7	$ 50.3

$M — ANNUAL – CONSOLIDATED TOTAL

(Unaudited)	2014	2015	2016	2017	2018	2019	2020	Sep-YTD 2021
Net Cash Provided (Used) by Operating Activities	$ 93.9	$ 107.1	$ 74.4	$ 8.1	$ 18.5	$ 70.3	$ 173.5	$ 106.2
Less: Capital expenditures	(129.6)	(78.2)	(42.7)	(33.0)	(40.0)	(38.0)	(16.9)	(7.3)
Free Cash Flow[1]	$ (35.7)	$ 28.9	$ 31.7	$ (24.9)	$ (21.5)	$ 32.3	$ 156.6	$ 98.9

[1] Free Cash Flow is defined as net cash provided (used) by operating activities less capital expenditures

Calculation of Total Liquidity[1]

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

$M	QUARTERLY – CONSOLIDATED TOTAL				
	3Q	4Q	1Q	2Q	3Q
(Unaudited)	2020	2020	2021	2021	2021
Cash and cash equivalents	$ 74.8	$ 102.8	$ 115.7	$ 115.2	$ 172.0
Credit Agreement:					
Maximum availability	$ 400.0	$ 400.0	$ 400.0	$ 400.0	$ 400.0
Suppressed availability[2]	(171.0)	(183.2)	(152.7)	(133.2)	(122.2)
Availability	229.0	216.8	247.3	266.8	277.8
Credit facility amount borrowed	(20.0)	-	-	-	-
Letter of credit obligations	(3.8)	(5.5)	(5.5)	(5.5)	(5.4)
Availability not borrowed	$ 205.2	$ 211.3	$ 241.8	$ 261.3	$ 272.4
Total Liquidity[1]	$ 280.0	$ 314.1	$ 357.5	$ 376.5	$ 444.4

[1] Total Liquidity is defined as available borrowing capacity plus cash and cash equivalents
[2] As of each respective period above, TimkenSteel had less than $400 million in collateral assets to borrow against